Economics

1983-2004

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Questions

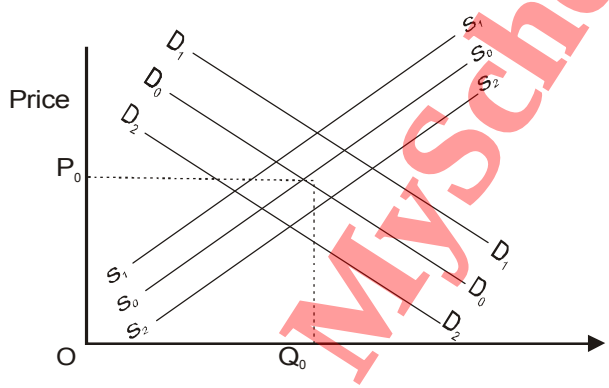
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Economics 1983

1. Which of the following items is NOT included in measuring national income by the income approach?
   A. Wages and salaries of public servants
   B. Student grants and scholarships.
   C. Profits of companies.
   D. Income earned by self employed persons such as lawyers.
   E. Rents on property.

2. A down ward sloping demand curve intersects a fixed supply curve. A shift of this demand curve to the right implies that
   A. both price and quantity will increase
   B. only price increase
   C. only quantity increase
   D. the price remains constant
   E. the price falls.

3. Which of the following items is NOT an argument for locating industries in rural areas?
   A. Rural areas supply agricultural raw material.
   B. The pace of development will be quickened in rural areas.
   C. Employment will be provided for rural inhabitants.
   D. Capital is easily available in rural areas.
   E. Suitable humid climate is sometimes found in rural areas.

4. 

The curves D_0D_0 and S_0S_0 are the demand and supply curves respectively.
What happens government subsidizes producers in order to boost output?

   A. The supply curve will shift S0S0 to S2S2
   B. The supply curve will shift from S0S0 to S1S1
   C. The supply curve will shift from S2S2 to S1S1
   D. The supply curve will shift from S1S1 to S0S0
   E. The demand curve will shift from D0D0 to D1D1

5. The natural growth rate of a population is the
   A. Sum of the birth rate and the death rate
   B. Sum of the birth rate and the net migration rate
   C. Birth rate minus the death rate
   D. Birth rate divided by the net migration
   E. Death rate minus the net migration.

6. Which of the following sets fully represents factor of production?

   A. Sunlight, machinery, man, land
   B. Land, labour, capital, enterprise technology
   C. Capital, technology, ideas, market, land.
   D. Land, water, weather.
   E. Money, market, middlemen.

7. Production possibilities (alternatives)

	P	Q	R	S	T
Units of shelter	5	4	3	2	0
Units of food	0	5	9	12	15

Based on the above production possibilities table, the real cost of a unit of food when alternative R is selected is
   A. One unit of shelter
   B. Three units of shelter
   C. One third of a unit of shelter
   D. Six units of shelter
   E. Two units of shelter.

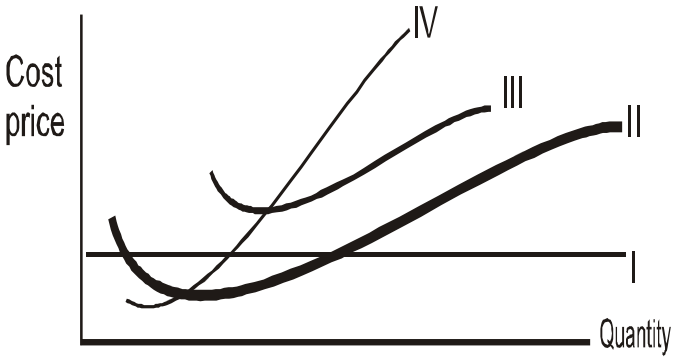
8. The concept of economic efficiency primarily refers to
   A. Obtaining the maximum output from available resources at the lowest possible cost
   B. Conservation of our petroleum resources
   C. Equity in the distribution of the nation's wealth
   D. Producing without waste
   E. The limited wants unlimited resources dilemma

9. If successive units of labour are added to a piece of land while capital and technology remain constant, a point will be reached in the level of production when each added unit of labour will add less to the output than previous units of labour.
   A. The productivity of labour
   B. The law of diminishing marginal utility
   C. The law of diminishing returns
   D. The concept of factor intensity
   E. Labour intensive production.

10. In perfect competition a firm's price is equal to its marginal revenue which is again equal to average revenue. This form maximizes its profits when its marginal cost (MC)is equal to price (p).
Which of the curves in the diagram below represents the firm's marginal cost (MC?
   A. Curve I
   B. Curve II
   C. Curve III
   D. Curve IV

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E. Curve I and III



11. A Nigerian household's demand curve for semovita is downward sloping because
A. The demand for semovita is high
B. The local markets are flooded with semovita
C. It is produced in Nigeria
D. Every household can afford to buy semovita
E. Higher prices attract lower quantities while lower prices attract larger quantities

12. The table below shows the market schedule for semovita.

PRICE per 5 kg bag	QUANTITY DEMANDED in bags	QUANTITY SUPPLIED in bags
N3.00	15,000	1,500
N4.00	13,000	3,000
N5.00	10,000	6,000
N6.00	7,000	7,000
N7.00	5,000	9,000
N8.00	4,000	12,000
N9.00	2,000	14,000

What is the market equilibrium price?
A..N5.00 B. N8.00 C. N9.00
D. N7.00 E. N6.00

13. Marginal cost curve intersects average cost curve
A. From above at its lowest point
B. From below before the lowest point
C. From below at its lowest point
D. From below after the lowest point
E. At zero point

14. Palm oil industry is located in Bendel State because the state
A. Imports raw material for palm oil industry
B. Is a palm tree growing area
C. Soil is unsuitable for other crops
D. Government does not engage land for other crops
E. Land is suitable for oil

15. The meaning of 'wage-price spiral' is
A. Demand pull and cost push inflation pulling each other in different directions
B. Demand pull and cost push inflation intensifying each other
C. Both of them bringing about a reduction in the price level
D. That demand pull and cost push inflation increase employment
E. That wages and prices are rising at a proportional rate

16. In an inflationary period which of the following statement is NOT true?
A. Wages rise simultaneously with prices
B. The purchasing power of money diminishes
C. More money runs after a limited quantity goods
D. Money supply increases
E. Aggregate real demand exceeds aggregate real supply

17. Retailers in an economy perform the function of
A. Production B. Exchange
C. Distribution D. Hoarding
E. Investment

18. In a sole proprietorship the decisions are made by the
A. Government B. Board of directors
C. Management D. Shareholders' conference
E. Owner

19. Which of the following enterprises does NOT pursue the sole objective of profit maximization
A. Roads Nigeria Ltd.
B. Union Bank of Nigeria Ltd.
C. Nigerian Electric Power Authority
D. Volkswagen (VW) Nigeria Ltd.
E. Kingsway Nigeria Ltd.

20. Public expenditure creates expansionary effects in the economy when it is
A. In excess of government revenue
B. Channelled into capital projected
C. Diverted into imports
D. Financed through oil revenue
E. Completely financed through part of the year total collection taxes.

21. The maintenance of general economic stability in the country necessarily relies heavily on
A. Federal fiscal policy
B. Coordinated federal, state and local fiscal policies
C. Tax and revenue policies of state governments
D. Federal grants to state and local governments
E. Federal grants to local governments

22. The supply of loanable funds is significantly influenced by
A. Commercial banks B. Mortgage banks

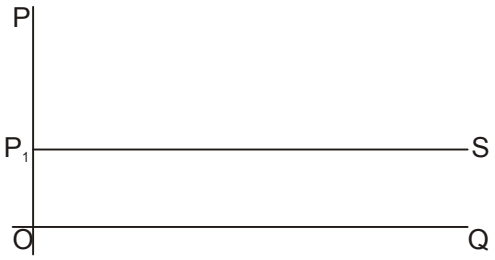
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C. Financial intermediaries D. The Central Bank
E. Insurance companies

23. Which of the following are direct taxes
A. Sales taxes B. Excise duties
C. Income and company taxes D. Tariff duties
E. Commodity taxes

24. Division of labour has many advantages. Notwithstanding, it is greatly limited by
A. Monotony of work B. Decline of craftmanship
C. Risk of unemployment D. Extent of market demand
E. Boredom

25.



In the above diagram P1S is a supply curve for a manufactured good. It shows that
A. When price is Po1 quantity supplied is infinitely elastic
B. The higher the price the greater the quantity supplied
C. The higher the price the lower the quantity supplied
D. When price is zero quantity supplied becomes infinite
E. When price is infinite quantity supplied becomes zero

26. In the event of a limited liability company going into liquidation each
A. Shareholder may lose the maximum of the amount he has invested
B. Shareholder loses nothing
C. Shareholder loses everything including his house
D. Shareholder's liability becomes unlimited
E. Shareholder will lose the amount he has invested plus a proportion of his bank account

27. A greater burden of the taxes on essential goods is borne by the
A. middle income group
B. Higher income group
C. Lower income group
D. People falling between the middle and higher income group
E. Top few richest people of the country.

28. Comparative cost doctrine of international trade means specialization in production
A. According to absolute cost advantage
B. According to absolute cost disadvantages
C. According to Comparative cost disadvantages
D. According to comparative cost advantages
E. On the basis of the availability of labour

29. The meaning of 'Dumping' is selling goods in a foreign market
A. At a price below that received the home market
B. At a price higher than that received in the home market
C. At a price equal to the cost price in the home market
D. In order to encourage indigenous producers
E. At a price equal to the selling price in the home market

30. Disequilibrium in the balance of payments means
A. Imports of the country exceeding its exports
B. Overall deficit or surplus in the current account and capital account of the balance of payments
C. Capital flowing out of the country ex ceeds the capital flowing into the country
D. Deficit in the trade balance
E. Export earnings exceed cost of imports.

31. Petroleum 'glut' in international trade means
A. A fallen in petroleum production
B. An over supply of petroleum
C. A higher petroleum price offered by the buyer
D. A higher petroleum price demanded by the seller
E. Higher prices for the consumption of pe troleum

32. International trade is necessary because
A. No country can live in economic isolation
B. Different countries are differently endowed in natural and man-made resources
C. Some countries have comparative costs advantage in the production of particular commodities over other countries
D. The world demand for and supply of various categories of commodities is expanding very fast
E. Countries want to build up their foreign exchange reserves.

33. Mono-product economies are those that
A. Have a rich cultural heritage
B. Product only raw materials
C. Live from the export of their raw products
D. Produce one main commodity
E. Specialize in agriculture industries

34. The quickest way of achieving an economic union on regional basis is to remove all
A. Currency barriers B. Language barriers

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E. Legal barriers.

35. If an economy is growing at an annual rate of 7% and 4% of it is known to be due to the improve ments in labour and capital combined, the balance of 3% is usually due to
A. Land and related factors
B. Abundance of natural resources
C. Level of human capital
D. Technical progress or other factors
E. The discipline of political leaders

36. A major function of middlemen in Nigeria is the distribution of
A. Commodities to all consumers regardless of income
B. Commodities to consuming centres and the collection of money income to producing centres
C. Economic welfare to all
D. Wealth to all
E. Poverty within the society.

37. When a government owns enterprises a numbers of advantages arise. Which of the following is NOT one of such advantages?
A. More capital is provided
B. Pricing policy may be in the interest of consumers
C. Government workers may be indifferent towards the public.
D. Infrastructures are rapidly developed.
E. Income may be more evenly distributed

38. Which of the following is NOT an advantage of localization of industries?
A. Reaping of external economies
B. Development of a pool of skilled labour for the industry
C. Development of subsidiary industries
D. Development of organized markets
E. Growth of conurbations.

39. The monetary system that requires double coincidence of wants is known as
A. The gold standard B. Barter
C.The commodity syste D.The gold exchange standard
E. The cheque system

40. The effect of emigration on a country's population, all other things remaining equal, is to
A. Increase its size B. Cause overpopulation
C. Increase its growth rate
D. Reduce the proportion of children
E. Reduce its size

41. Money performs a number of functions. ONE of these functions makes it possible for any person to provide for old age. Because of that particular function, money is regarded as a
A. Medium of exchange B. Measure of value
C. Unit of account D. Store of value
E. Standard for deferred payments.

42. Agriculture plays a dominant role in West Africa economies because
A. The Green Revolution in Nigeria is agricultural
B. It supplies all the foodstuff consumed in West Africa
C. There are large plantations of cocoa, groundnut and palm oil in West Africa
D. It is the main source of revenue in Nigeria
E. It employs more than 50% of the total labour force in West Africa

43. Which of the following defines Economics most comprehensively?
A. Buying and selling B. Organization of industries.
C. Study of human behaviour in the allocation of scarce resources.
D. National development planning and budgeting
E. Banking and insurance

44. Age structure in Nigeria is such that the working age-group is in the years
A. 1-15 B. 15-65 C. 30-40 D. 40-65E. 65 and above

45. NEPA as a public corporation is
A. A power-generating industry in Nigeria
B. Organized in a perfectly competitive market
C. A duopoly
D. A monopolistically competitive industry
E. A monopoly

46. Full employment is a situation in which
A. Every adult is employed
B. All adult who can work are employed
C. All persons who have attained the age of 15 years and above are employed
D. Only the disabled are not employed
E. All those who are able and eligible to work can find employment

47. When demand is elastic, it means that consumer
A. React more proportionately to price change
B. Are not sensitive to price change
C. Will stop buying when price increases
D. React less proportionately to price change
E. React equally to price change

48. Demand for a factor of production is
A. A composite demand B. A joint demand
C. A derived demand D. An elasticity of demand
E. Cross-elasticity of demand

49. Differentiated product is the characteristic feature of
A.Perfect competition B. Pure competition
C.Monopolistic competition D.Monopoly E.Oligopoly

50. Nigeria is currently implementing the
A. Third development plan
B. Second development plan
C. Fourth development plan
D. Fifth development plan
E. First development plan.

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Economics 1984

1. The main economic objective behind the production of goods and services in any economy is to
A. Maximize profits B. Satisfy human wants
C. Become self-reliant D.Create job opportunities
E.Make people wealthy.

2. Demand for a commodity by a consumer is the quantity of that commodity that the consumer
A. Demands at a given price at a point in time
B. Demands at a given price
C. Actually digests
D. Produces, given its price
E. Can store away during bad weather

3. Division of labour is limited by
A. The size of the market B. The productivity of capital
C. Cost of production D. The factors of production
E. Government policy

4. The production within the domestic territory of a country is called the
A. Net national product B. Gross domestic product
C. Net income D. Disposable income
E. Gross national product

5. In discussing the reasons why wages differ between occupations, which of the following should be regarded as a cardinal point that needs to be emphasized?
A. Length and cost of training
B. Demand and supply
C. Attractiveness of the job
D. Influence fo trade unions.
E. Government intervention.

6. A rightward shift in the production possibility frontier may be due to
A. Use of inferior inputs
B. Inefficiency
C. Improvement in production techniques and practices
D. Changes in the product mix
E. Changes in consumers' tastes and preferences.

7.

Quantity	Fixed Cost N	Variable Cost N	Total Cost N	Marginal Cost N	Average Cost N
1	750	200	950	-	950
2	750	560	1310	360	655
3	750	900	1650	?	550

The above table shows the short-run costs of a firm. What is the firm's marginal cost for the third item produced?
A.N350.00 B. N349.00 C. N360.00
D.N370.50 E. N505.00

8. The advantages that accrue to a firm as the size of the firm increases are known as
A. External diseconomies B.Internal returnes to scale
C. Internal economies D.Internal diseconomies
E. Constant returns to scale.

9. One of the advantages of large-scale production is that
A. There is a rise in the cost of administration
B. Consumers sacrifice their individual tastes
C. The firm can use labour-saving machinery
D. The demand for a firm's products become localized
E. Decision making takes a long time because different levels of management are involved.

10. Which of the following is NOT an obstacle to economic development?
A. Low level of investment B. Lack of modern technology
C. High rate of population growth
D. Low productivity E. Dedicated leadership

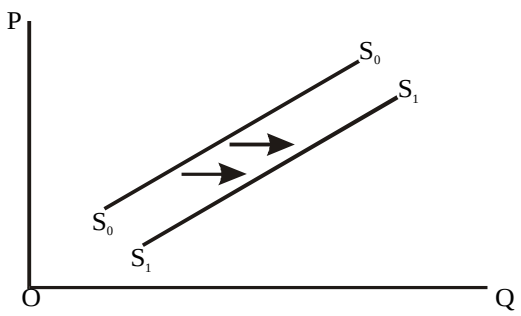
11. An ageing population refers to the preponderance on
A. Middle-aged people in the population
B. Young people in the population
C. Women in ht population
D. Old men in the population
E. Old people in the population

12. Let
TC = total cost
TVC = total variable costs
TFC = total fixed costs
ATC = average total costs
AVC = average variable costs
AFC = average fixed costs
Q = output
Which of the following is NOT true?
A. TC = TFC + TVC
B. ATC = AVC + AFC
C. AFC = $\frac{TFC}{Q}$
D. TVC = $\frac{AVC}{Q}$
E. AVC = $\frac{TVC}{Q}$

13. Which of the following is NOT a determinant of the size of the economically active population?
A. Age structure
B. Occupation of workers
C. Proportion of men to women
D. Average length of the working day
E. Efficiency of the labour force

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14. The population level that yields the maximum output when combined with available resources is known as
A. Dependent population
B. Maximum population
C. Active population
D. Production population
E. Optimum population.

15. 

In the above diagram the supply curve S0S0 shifts to a new position S1S1 to indicate
A. A drop in supply
B. A rise in supply
C. A supply-push inflation
D. A stable supply curve
E. An increase in quantity supplied.

16. If X and Y are two goods, then the cross elasticity of demand for X with respect to Y is defined as the
A. Percentage change in the quantity of X divided by the percentage change in the price of Y
B. Percentage change in the quantity of X divided by change in the price of Y
C. Change in the quantity of X divided by change in the price of Y
D. Percentage change in the quantity of X divided by the price of Y
E. Percentage change in the quantity of Y.

17. For two substitute goods, the cross elasticity of demand is
A. Greater than one but less than two
B. Zero C. Negative
D. Positive E. Infinity

18. The control of prices by legislation usually produces a number of consequences. Which of the following is NOT an associated problem of maximum price control?
A. Excess supply B. Favouritism
C. Bribery and corruption D. Black marketing
E. Hoarding

19. For a non-discriminating monopolist in Nigeria, price at the profit maximizing output is
A. Equal to marginal cost
B. Greater than marginal cost
C. Greater than average total cost
D. Equal to marginal revenue
E. Equal to total revenue

20. A demand curve slopes downwards because of
A. An increase in the money income of the consumer
B. A decrease in the money income of the consumer
C. The substitution effect and the rise in real income of the consumer
D. The rise in demand for the complementary goods
E. The increase in the demand for factors of production

21. An imperfectly competitive market is one where
A. A large number of firms sell homogenous products
B. Input and output prices are unaffected
C. Each firm faces a horizontal demand curve
D. Each firm maximizes profit by selecting an out put level at which marginal cost equals market price
E. Commodities are differentiated

22. In taxation, the benefit principle requires that
A. Everybody must draw benefits from taxation
B. All those who earn more income must pay more taxes
C. Only those who derive benefits from services provided from public revenue should be taxed
D. Taxes paid by businesses should be shifted to those consumers benefiting from such consumer commodities
E. Everybody pays an equal amount

23. A perfectly competitive firm does not influence the demand for its commodities by lowering its price below the market price because
A. It is illegal price cutting
B. Other competitors will be angry
C. Total revenue will decline due to its inelastic demand curve
D. It is able to sell all it wants at the market price
E. It does not maximize profit.

24. Pricing and output decisions of sellers are highly interdependent in markets known as
A. Oligopoly B. Perfect competition
C. Monopoly D. Monopolistic competition
E. Imperfect competition.

25. One disadvantage of sole proprietorship is its
A. Limited liability B. High profits
C. High sense of ownership D. Low credit rating
E. Low failure rate.

26. The Channel for food distribution in Nigeria consists of
A. Farmers and their families
B. Producers, wholesalers and retailers
C. Producers and consumers
D. Producers and processor
E. Farmers. Processors and consumers.

27. Which of the following is NOT true of debentures and debenture holders?
A. Debentures are instruments for raising long-term capital by limited liability companies
B. Debentures are fixed interest-bearing securi ties with specifies maturity date.
C. Debenture holders are creditors to the company and therefore do not share in the risk of the company
D. Debenture holders are entitled to interest

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payments whether or not profits are made.

E. Preference shareholders receive their share of profits before debenture holders receive their entitlements.

28. The economic goal of public utilities is to
A. Maximize profits B. Expand assets
C Minimize cost D. Provide essential services
E. Pay higher dividends to shareholders

29. The basic principles of co-operative societies are those of
A. Active participation of capitalists in the affairs of co-operative societies
B. Workers ownership and worker control
C. Sole proprietorship
D. Partnership
E. Denying of credit facilities to members

30. The most important factor determining the location of the cement industry in Nigeria today is
A. Capital and government policy
B. The nature of the product, infrastructure and government policy
C. Nearness to the market and source of power
D. Price of the product and source of labour
E. Raw materials

31. The most important characteristic of money is
A. Portability B. Intrinsic value
C. Acceptability D. Usefulness
E. Beauty

32. The Central Bank instrument of control does NOT include
A. Open market operations
B. Moral suasion
C. A rise in cost of production.
D. Selective credit control
E. Printing banknotes

33. Cost push inflation takes place due to
A. The rapid increase in the demand for goods
B. An increase in productivity of the factors of production
C. A rise in the cost of production
D. A rise in the standard of living
E. The low wage rate of the workers.

34. Lord Keynes identified three motives for holding money, that is, keeping one's resources in liquid from instead of in some form of investment. The motive which relates to making provision for the 'rainy day' is known as
A. Transaction purposes
B. Precautionary motive
C. Transactions motive
D. Investment motive
E. Rainy day motive.

35. If a person demands money for buying and selling sec urities it is referred to as demanding money for
A. Transaction purposes
B. Speculative purposes
C. Transactionary purposes
D. Meeting the educational expenses of children

36. Generally property taxes
A. Are borne entirely by landlords
B. Cannot be shifted in the long run
C. Are borne by all (renters, owner-occupiers and landlords)
D. Are borne only by renters
E. Are borne by a few industrialists.

37. One of the major effects of an increase in government expenditure on a nation's economy is that it
A. Creates investment opportunities for foreign investors
B. Leads to indigenization of the private sector
C. Raises the level of total tax revenue
D. Raises the level of aggregate demand
E. Controls the spread of monopoly

38. Public expenditure on services, such as education and health, is known as expenditure on
A. General services B. Community services
C. Social services D. Economic services
E. Administrative services

Questions 39 and 40 are based o the table below:

The international production set for Nigeria and Austria is:

Product	Nigeria	Austria
Cocoa	20 tonnes	12 tonnes
Lace	10 metres	8 metres

39. The opportunity cost ratio for cocoa and lace for Austria and Nigeria is

A. 2, 2 B. 2, 1, 5 C. 1, 5, 4
D. 1, 5, 2 E. 0.5, 1,5

40. From the table it can be deduced that
A. Nigeria should produce cocoa and lace
B. Austria should produce cocoa and lace
C. Nigeria can benefit from producing lace only
D. Nigeria should not produce any of the products
E. Austria should produce lace and Nigeria should produce cocoa.

41. The following, except ONE, are the differences between international trade and internal trade.
A. Differences in currencies
B. Governments control
C. Mobility of factors of production
D. Cultural differences.
E. Exchanges of goods and services

42. Let Px represent the price of exports and Pm the price of imports. Then the items of trade (TOT) are said to be favourable if

A. $\frac{Px}{Pm} < 1$ C. $\frac{PX}{Pm} > 1$

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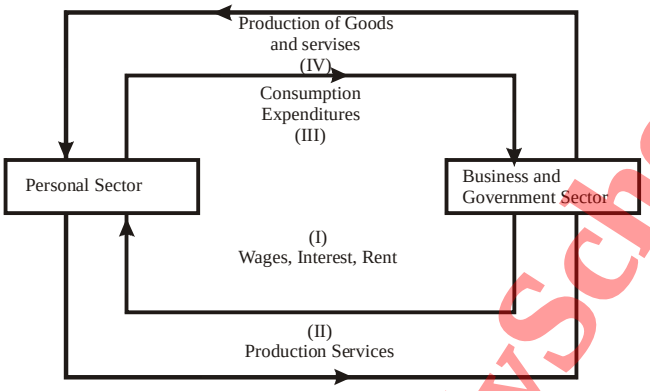
B. $\frac{Px}{Pm} < 1$ D. $\frac{Px}{Pm} = 1$

E. $0 < \frac{Px}{Px} < 1$

43. Which of the following items does NOT belong to a country's current account in the balance of payments account?
A. Merchandise exports B. Merchandise imports C. Travel D. Foreign currencies E.Insurance services

44. An improvement in Nigeria's terms of trade should
A. Lead to a fall in cost of her imports in terms of what she must sacrifice to obtain them
B. Make 'made in Nigeria' goods cheaper to buy
C. Increase Nigeria's domestic output of commodities
D. Lead to an increase in her exchange rates
E. Lead to an increase in Nigeria's exports of petroleum

45. Which of the following is NOT a feature of economic underdevelopment o a country?
A. Large number of high income earners relative to the population
B. High annual income for the few
C. High incidence of poverty
D. Low daily calorie intake per person
E. High infant mortality rate



46. The above diagram illustrates
A. The circular flow of income
B. Gross national product plus depreciation
C. Incomes of the sector
D. The profit of business enterprises
E. The output approach to national income determination.

47. In the diagram (I) refers to the calculation of national income through the
A. Expenditure approach
B. Input-output approach
C. Flow of funds approach
D. Income approach
E. Output approach

48. In the same diagram, (III) refers to the calculation of national income through the
A. Income approach
B. government earnings approach
C. expenditure approach
D. output approach
E. flow of funds approach

49. Given the present state of the Nigerian economy, which of the following measures will promote a more rapid economic development?
A. Complete dependence on oil exports
B. Concentration on agricultural exports
C. Diversification of the economy
D. Building of more schools and universities
E. Introduction of nuclear energy in Nigeria

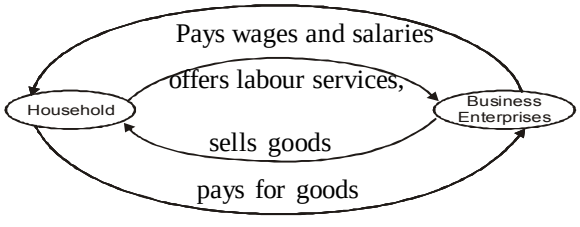
50. Which of the following does NOT represent the behaviour of a monopolist?
A. Management the market price of his goods
B. Manipulating both the price and quantity of his goods at the same time
C. Raising the price at one market, lowering at another market
D. Manipulating only quantity, price being a given factor
E. Manipulating the quality of his goods

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Economics 1985

1. One main quality of a good is that it
A. Is sold in the market
B. Satisfies wants
C. Is made in the factory
D. Is always tangible
E. Is non-perishable

2.



The interdependence between household and business enterprise illustrated in the figure above is known as
A. Market interaction
B. Cash flow
C. Circular flow of income
D. Supply and demand for goods and services
E. Household preference schedule

3. Bisi needs book costing N10.00. If Bisi buys the book instead of the hat, the opportunity cost of his choice is the
A. Cost of the book B. Cost of the hat C. Book D. Hat E. N10.00

4. An economic problem exists whenever
   A. There is scarcity and choice
   B. There are no buyers for our goods
   C. There are too many sellers
   D. Many people are out of work
   E. All raw materials are imported

5. The meaning of scale of preference is
   A. Preparing a list of goods and services to be purchased in order of priority
   B. Showing the monthly income
   C. Budget preparation without due regard to proper priorities
   D. Consumer preference for luxurious goods
   E. Consumer preference for foreign goods

6. Optimum population is desirable because it enables an economy to attain maximum
   A. Per capita income
   B. Per capita output
   C. Per capita real income
   D. Per capita revenue
   E. Growth rate

7. The age distribution of a population is NOT influenced by
   A. Birth rates
   B. Death rates
   C. Patterns of immigration
   D. Patterns of emigration
   E.. School leaving age

8. One theory of population contends that population tends to increase much faster than the supply of food, and that if the growth in population is not checked, it will be checked by natural forces like misery, disaster and food shortage. This theory was propounded by
   A. Prof. Paul Samuelson
   B. Adam Smith
   C. David Richardo
   D. Rev. Thomas Malthus
   E. Prof. Ojetunji Aboyade

9.

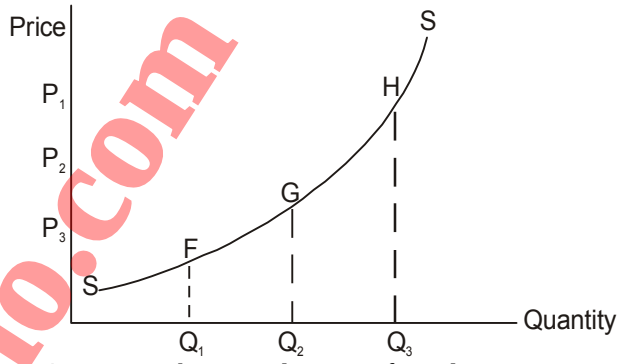
Units of Quantity Consumed	Total Utility	Marginal Utility
0	-	-
1	10	10
2	15	5
3	17	2
4	18	1
5	18	0

The table above illustrates the law of
   A. Diminishing marginal utility
   B. Diminishing marginal productivity
   C. Diminishing returns
   D. Increasing returns
   E. Increase total utility

10. If in the short run commodity X and commodity Y are supplied jointly, which of the following is correct?
   A. An increase in demand for X will increase the supply of Y
   B. An increase in demand for X will shift the supply of Y
   C. An increase in demand for Y will raise the price X
   D. An increase in demand for X will cause less of Y to be produced.
   E. A probable tax on Y cause more of X to be supplied

11. In market economies, resources are allocated through the
   A. Government authorities
   B. Price system
   C. Banking system
   D. Central planning bureau
   E. Revenue allocation formula

12. Study the figure below

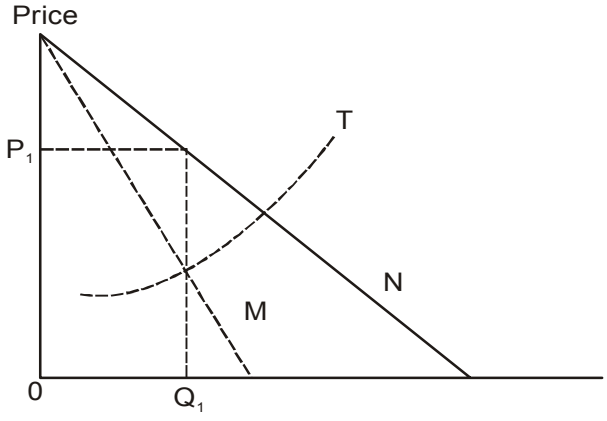


At point H, the price elasticity of supply is
   A. Perfectly inelastic
   B. Inelastic
   C. Unit elastic
   D. Perfectly elastic
   E. Elastic

13. At every point on an indifference curve, the
   A. Total utility is decreasing
   B. Prices fo all goods are constant
   C. Consumer is satiated
   D. Level of utility is constant
   E. Level of utility is increasing

14. Under perfect competition, the long-run equilibrium requires
   A. MR = MC
   B. MR = AC = AR
   C. MR > MC
   D. MR = MC = AR = AC
   E. AR = AC

15.



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In the figure above, the broken line labelled M is the Marginal Revenue Curve of a

A. Monopoly
B. Competitive firm
C. State corporation
D. Partnership
E. Monopsony

16. If a monopoly is attempting to maximize profit, which of the following should it attempt to do?
A. Select that output at which ATC is at minimum
B. Set price equal to TC
C. Maximize revenues
D. Maximize revenues
E. Equate marginal cost to marginal revenue.

17. The amount of labour a producer hires relatives to other factor inputs depends on the
A. Price of labour or its wage
B. Price of labour, machinery and other imputs
C. Price of machinery
D. Price of the other inputs
E. Type of machinery

18. Which of the following is NOT a feature of under-development?
A. Low per capita income
B. Vicious circle of poverty
C. Low level of industrialization
D. Greater dependence on primary production
E. High per capital income

19. The inefficient distribution of scarce commodities in Nigeria is mostly due tot he
A. Inefficiency of the middleman
B. Inefficiency in the production process
C. Long chain of the distribution system
D. Sovereignty of the consumers
E. Ineffectiveness of retailers

20. Warehousing facilities in the distribution and marketing of products are provided by
A. Manufacturers
B. Wholesalers
C. Retailers
D. Consumers
E. Sellers

21. A corporation can obtain funds by issuing bonds. A bond is a form of debt which falls due for repayment after
A. 6 months
B. 9 months
C. 2 years
D. 5 years
E. 10 or more years

22. A firm is said to be a public Joint Stock Company when it
A. Is owned by the government
B. Is operated as a public corporation
C. Is operated in a non-democratic fashion
D. Sells shares to members of the public and publishes its account
E. Is a limited liability company

23. Limited liability means
A. The debts of a company can only be paid from business as well as private funds of the owners
B. The debts of the company are paid from business as well as private funds of the owners
C. Government cannot tax company
D. The debts of the company must be paid from Private funds only
E. The company does not have to pay its debts.

24. The purchasing power of the Naira will fall when
A. The Naira is devalued
B. Government cuts all salaries and wages
C. There is inflation
D. The colour of the Naira is changed
E. Workers are retrenched

25. When a business has unlimited liability
A. All its profits can be taxed away by the government
B. All its assets are owned by the members of its board of directors
C. The business ceases to exist at the death of one of its owners
D. The owners are responsible for all its financial debts
E. The owners are not responsible for all its financial debts.

26. Which of the following factors is most responsible for the concentration fo population around the oil fields in Eastern Nigeria?
A. Establishment of industries
B. Presence of mineral deposits
C. Transportation facilities
D. Favourable soil
E. Favourable climatic conditions

27. The petro-chemical industries are located in the Rivers State of Nigeria due to
A. Favourable climate
B. Favourable soil C. Oil deposits
D. Palm oil products E. Coal deposits

28. One of the functions of a commercial bank is that it is
A. Responsible for monetary policy
B. Responsible for issuing of currency notes
C. The lender of last resort
D. The banker of the government
E. A banker of demand and time deposits of customers.

29. Because money serves as a standard of deferred payments
A. It serves as a store of value
B. Goods can be bought on credit with determined value
C. Future trade becomes possible
D. It serves as a unit of account
E. It becomes valueable

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30. Which of the following is a necessary prerequisite for trade by barter.
A. Need for double coincidence of wants
B. Multiple exchange rate
C. Impossibility of future trade
D. Impossibility of large-scale production
E. Indivisibility of commodities

31. A state budget is an outline of planned
A. Expenditures and revenues expected within a financial years
B. Expenditures of ministries and parastatals within a given period
C. Recurrent and capital expenditures within a year
D. Sources of revenue derivation for a financial year
E. Use of different kinds of taxation is a given year

32. Which of the following is NOT among the canons of taxation as set out by Adam Smith?
A. Equality B. Security C. Certainty
D. Convenience E. Economy

33. An example of a regressive tax is
A. The personal income tax
B. The graduated corporation income tax
C. A general sales tax
D. The inhertance tax
E. The excise tax

34. Tax which is levied on goods manufactured, sold or used within the country is
A. Sales tax B. Excise tax C. Direct tax
D. Income tax E. Poll tax

35. By terms of trade, we mean the
A. Ratio of exports to imports
B. Difference between exports and imports
C. Difference between current account and capital account
D. Index of export prices to import prices expressed as a percentage
E. Ratio of short-term capital movements

36. The argument of tariff protection in less developed economies is that such a measure would
A. Raise the price of goods affected abroad
B. Make consumers pay a higher price for the domestically produced output
C. Protect young industries from ruinous competition from abroad
D. Help reduce excess capacity in domestic industries
E. Stifle private investment initiative

37. Devaluation of the Naira as a condition for the International Monetary Fund loan is considered inadvisable because
A. It would allow for more money to be spent on luxuries
B. The interest rate on the loan would increase
C. It would decrease the demand for Nigeria's exports
D. It would worsen Nigeria's foreign exchange situation
E. Nigeria's oil would sell for less in the world market

38. Foreign exchange control in Nigeria is administered by the
A. United Bank for Africa
B. Union Bank of Nigeria
C. First bank of Nigeria
D. Central Bank of Nigeria
E. National Bank of Nigeria

39. Under the ECOWAS agreement, a Nigerian can enter and stay in Ghana without a visa for a period of
A. 14 days B. 30 days C. 60 days D. 90 days
E. 100days

40. How many National Development Plans did Nigeria have between 1960 and 1984?
A. One B. Two C. Four D. Five E. Six

41. If an economy grows at an annual rate of 6%, of which 4% is deemed to be due to improvement in the productivity of labour and capital combined, the remaining 2% is generally attributed to
A. Technical progress
B. Size of the population
C. Amount of natural resources
D. The environment
E. The quality of human resource

42. The process by which a country attempts to reduce the import of manufactured goods by encouraging firms to produce these goods at home is described as
A. Export promotion
B. Import -substitution
C. Industrialization
D. Export-diversification
E. Import-creation

43. Under normal circumstances a producer will bear the entire burden of taxation on his output if the
A. Demand for his product is completely elastic
B. Supply of his goods is more elastic than the demand
C. Demand for his product is more elastic than the supply
D. Production of his commodities is subject to diminishing returns
E. Production fo his commodities is subject to increasing returns to scale

44. Which of the following is NOT a part of the fixed cost of a limited liability company?
A. Interest on loans
B. Rent on buildings
C. Depreciation reserves
D. Management expenditure
E. Wages

45. The act of combining factor inputs in order to obtain specific output is known as
A. Factor procurement B. Manufacturing

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C. Investment D. Industrialization
E. Producion

46. Disguised unemployment
A. Exists when manpower is not being utilized efficiently
B. Calls for the implementation of five-year plans
C. Can be eliminated if the press is free
D. Can be eliminated if the capital output ratio is increased
E. Is a statistical artifact with no economic meaning

47.

Output	Total Cost (N)
1	20
2	56
3	96
4	144
5	160

In the table above, the marginal cost when output is two units is,
A.N16.00 B. N20.00 C. N36.00
D. N40.00 E. N48.00

48. The table below illustrates the law of diminishing returns on a farm.

Fixed Unit Of land (Hectares)	Variable Unit of Labour	Total Output (TO)	Marginal Product (MP)
5	1	10	10
5	2	25	15
5	3	X	21
5	4	60	14
5	5	73	13
5	6	82	Y

Which pair of the following answers is appropriate for the missing information in the spaces marked X and Y?
A. X = 20, Y = 6 B. X = 38, Y = 9
C. X = 46, Y = 9 D. X = 46, Y = 14
E. X = 10, Y = 10

49. The unemployment associated with a recession is called
A. Voluntary B. Frictional C. Cyclical
D. Structural E. Disguise

50. When total revenue is a t a maximum, marginal revenue is
A. Constant B. Negative C. Zero
D. Positive E. Maximum

Economics 1986

1. Choice in economic life is necessitated by
A. The need to construct scale of preference
B. The opportunity cost of consumption
C. Unlimited wants
D. Scarcity of economic resources

2. Which of these is the real cost of satisfying any want in the sense of the alternative that has to be foregone?
A. Variable cost B. Opportunity cost
C. Total cost D. Prime cost

3. Under normal circumstances the concept of consumer sovereignty implies that
A. The consumer and not the producer owns the means of production
B. The producer and not the consumer determines what is to be produced
C. The consumer and not the producer determines what is to be produced
D. Both the consumer and the producer determine what is to be produced

4. A firm is at its optimum size when
A. It produces the greatest output at the minimum cost
B. It has a motive to increase output
C. Marginal cost equals marginal revenue
D. Marginal cost is less than marginal revenue

5. The degree of specialization is limited by the
A. Availability of specialized skills and machinery
B. Marginal cost exceeding marginal revenue
C. Extent of the market
D. Disadvantage of standardization

6. Production in Economics can be defined as the
A. Totality of producing, buying and consuming
B. Transformation fo raw materials and services in order to provide ultimate utility
C. Transformation of raw materials and services in order to make maximum profit
D. Production of goods and services for consumption

7. A firm achieves least cost in production by substituting factors until
A. Their factor prices are equal
B. Their marginal-physical-products are each equal to their factor prices
C. Their marginal-physical-products are each zero
D. The ratio of their marginal-physical-products equals the ratio of their prices.

8. If a person receives a higher wage than would be necessary to induce him to work, he is said to be receiving
A. Rent B. Profit C. Interest D. Period of training

9. Mobility of labour is NOT affected by
A. Optimum size of population B. Marriage and family
C. Regulation trade unions D. Period of training

10. A country has a population distribution shown below:

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Aged Group in Years	Corresponding Percentages
Above 60	25
15 - 60	60
0 - 14	15

The dependency ratio is
A. 3 : 2 B. 1 : 4 C. 2 : 3 D. 2 : 3 E. `1 : 5

11. Population density refers to
A. Densely populated urban centre
B. The total area divided by the total population
C. Densely populated rural areas
D. The total population divided by the total area.

12. What fundamentally determines how much a consumer spends in a producer's shop?
A. Individual's propensity to consume
B. Level of his taxation
C. Level of his income
D. Individual's taste or fashion

13. Which of the following statements describes a mixed economy?
A. The government and the private sector interact in solving the basic economic problems
B. The invisible hand solves the basic economic problems
C. The government produces and distributes all goods and services
D. Society answers the 'what', 'how', and 'for whom' questions only through the market system.

14. In drawing an individual's demand curve for a commodity, which of the following is NOT kept constant? The
A. Individual's money income
B. Price for substitutes
C. Price of complementary goods
D. Price of the commodity under consideration

15. Given that beef and fish are substitutes, a rise in the price of beef relative to that of fish will
A. Induce greater demand for beef
B. Induce greater demand for fish
C. Induce lower demand for fish
D. Equate demands for beef and fish

16. The main function of price mechanism is to
A. Limit consumer demand
B. Enable producers make profits
C. Allocate scarce resources among competing ends
D. Ensure consumer sovereignty

Use the table below to answer 17 and 18

Market Demand Schedule for Commodity X

Price #	Quantity (million units)
60	100
50	140
40	220
30	260
20	300
10	340

17. If the price of commodity X falls from N40.00 to N3.00 what is the price elasticity of demand?
A. 0.62 B. 0.73 C. 1.00 D. 1.50

18. The revenue accruing to the seller of commodity X as a result of a fall in price will
A. Increase B. Fall
C. First fall but will increase later
D. Remain unchanged

19. Which of the following is an important function of prices in a market economy?
A. Ensuring that resources are used in the most efficient manner
B. Ensuring an equitable distribution of goods and services
C. Ensuring that all industries are perfectly competitive in the long run
D. Equating level of purchases with level of needs.

20. One major difference between monopoly and perfect competition is that
A. the perfect competitor is a price taker while the monopolist determines his own output
B. Homogeneity of purpose exists for the perfect competitor while non-homogeneity of purpose exists for the monopolist
C. Sellers are located all over the world in the case of perfect competition but sellers are located only in one country in the case of the monopolist
D. There is free entry and exit in perfect competi tion but no free exit in monopoly

21. A producer sustains a loss in the short run if
A. Marginal revenue is less than price
B. Price is less than average cost
C. Average variable cost is less than average cost
D. Marginal cost is less than marginal revenue

22. A monopolist will practise price discrimination in two markets if
A. The cost of separating the markets is large
B. The markets have different elasticities of demand
C. There is free flow of information in the two markets
D. There is a patent of the commodity

23. In the normal channels of distribution the breaking of bulk is performed by the
A. Producer B. Wholesaler C. Retailer
D. Consumer

24. The most important advantage of co-operative societies is
A. Their high degree of democracy
B. The increase in the cost of marketing
C. That members are encouraged to save money
D. The possibility of raising loans for the members

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25. In a public company, shares are
A. Sold to one person only
B. Distributed freely
C. Advertised to members of the public for subscription
D. Disposed of by the Chief Executive

26. Which of the following is a characteristic of a private limited liability company?
A. Its shares can be sold to the public
B. The number of shareholders ranges from fifty to one hundred
C. All shareholders have equal powers and responsibilities
D. The number fo shareholders ranges from two to fifty

27. One of the advantages of a partnership over a sole proprietorship is that
A. It is the most popular form of business organization
B. The partner can easily withdraw from the business
C. It makes an increase in the capital of the business possible
D. There is no limit to the number of people who may bring in capital

28. Which of the following is an external economy derived by a firm?
A. Low cost opportunities enjoyed by being in a place where other producers concentrate
B. Technical economies enjoyed by varying the factors of production
C. Economies of management by putting administrators where they are most efficient
D. Marketing advantages attained through preferential treatment in the purchase and distribution of produce

29. Which of the following advantages of localization of industries may also be a disadvantage?
A. External economies
B. Concentration of industries and of people
C. Development of organized markets
D. Reduced cost of research

30. The Nigerian Bank for Commerce and Industry is
A. A commercial bank
B. A development bank
C. An industrial bank
D. A merchant bank

31. To control inflation, the monetary authorities of a country can
A. Reduce taxes
B. Advise government to increase its expenditure
C. Engage in expansive monetary policy
D. Engage in restrictive monetary policy

32. Which of the following is used by the Central Bank to control the rate of interest?
A. Bill of Exchange
B. Banker's order
C. Fixed deposit account
D. Open market operation

33. Gresham's law in Economics shows that
A. Bad money drives good money out of circulation
B. Good money drives bad money out of circulation
C. Gold must be available to maintain the value of paper money
D. The price level varies directly with the quantity of money

34. Given that the cash reserve ratio is 10 percent, what is the maximum amount of money that the banking system can create from an initial cash deposit of N1 000.00?
A. N100.00 B. N1 000.00 C. N9 000.00
D. N10 000.00

35. The most important economic characteristic differenti ating commercial banks from other financial institutions is their.
A. Function as a safe and profitable store place for savings
B. Role in financing balance of payments deficits
C. Status as an intermediary between savers and borrowers
D. Ability to create and destroy money

36. Deflation is a persistent fall in the general price level and is usually caued by
A. A reduction in total demand
B. An increase in government spending
C. An increase in the money supply
D. An increase in aggregate demand

37. Which of the following causes of inflation is related to demand-pull inflation?
A. Low productivity on farms and in firms
B. Poor storage facilities
C. Poor distribution system
D. Increase in government expenditure on construction

38. Which of the following is NOT a goal of modern budgets?
A. The control of inflation
B. The reduction in income inequlaity
C. The shift of all resources from the private to the public sector
D. Economic development

39. The best technical description of a progressive tax is a
A. Tax which takes money from the rich than from the poor
B. More equitable tax than a regressive one
C. Tax which takes higher proportion of extra naira received as income rises
D. Tax which falls directly on those in the high income brackets.

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40. Tax incidence is the analysis of
A. How progressive a tax is
B. How a tax is collected
C. How distorting a tax is
D. Who ultimately pays the tax

41. In International trade, country specializes in the production of a commodity or group of commodities for which it has
A. A buoyant market
B. Plenty of raw materials
C. The greatest relative advantage
D. Executive manpower

42. Balance of payments deficit in Nigeria CANNOT be solved by
A. Importing more goods and services
B. Devaluation of the currency
C. Imposing import duties
D. Imposing import bans on some commodities

43. The term, balance of trade, can be defined as the
A. Relation between value of exports and value of imports over a given period of time
B. Balance owed to the rest of the world in payment for imports
C. Price paid for imports in terms of exports
D. Relation between payments of all kinds made by a country to the rest of the world, over a given period of time.

44. The terms of trade is often measured by the ratio of the index of export prices
A. Divided by the index of import prices multiplied by 100
B. Multiplied by the index of import prices
C. Plus the index of import prices multiplied by 100
D. Minus the index of import prices

45. A society which forgoes present consumption
A. Is forced to do so because of excessive consumption within the country in the post
B. Is devoting new resources to new capital formation
C. Is merely devoting resources to the replacement of capital
D. Expects to consume only that amount tomorrow which was forgone today

46. ECOWAS will enable the countries involved to achieve
A. Comparative political advantage over other countries not in the region
B. A large market for their products
C. Military superiority over countries not in the region
D. Lower the transportation cost of goods within the region

47. Which of the following methods is most likely to lead to an increase rate of growth in the national economy?
A. An increase in wages and profits
B. An increase in consumer demand
C. A greater fraction of the National Product going into investment
D. A continuous rise in bank loans

48. The differences between the Gross Domestic Product and the Gross National Production is the
A. Allowance for total depreciation
B. Total interest payments
C. Total tax and interest payments
D. Net income from abroad

49.. Which of the following strategies will provide more employment opportunities for Nigerians?
A. Investment in social services
B. Industrialization
C. Economic planning
D. Eradication of illiteracy

50. A nation's distribution of income shows
A. The value of all goods produced in the economy
B. How income is dividend among different groups
C. Where the economy system is on its production possibility curve
D. The consumption behaviour of the people

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Economics 1987

1. A production possibility curve shows
A. How much of the resources of society are used to produce a particular commodity
B. The rate of inflation
C. The rate of unemployment in the economy
D. The various combination of two commodities that can be produced

2. The study of the economic behaviour of individual decision-making units (consumers resources owners and business firms) in a free-enterprise economy is known as
A. Microeconomics B. Macroeconomics
C. Production D. Indifference curve

3. Which of the following best describes the concept of opportunity cost?
A. A special bargain or sale at below market price
B. Costs for inputs tend to go up as we use more of them
C. Goods that are not produced in order to produce more of another good
D. A cost that constantly decreases

4. Market is defined as
   A. One geographical location where people meet to buy and sell
   B. The demand and supply of goods and services
   C. A group of people whose sole interest is to make profit
   D. Any organization at framework which links the buyers and sellers of a good or service.

5. The additional revenue obtained by using one more unit of a factor is called its
   A. Marginal product
   B. Additional product
   C. Marginal revenue product
   D. Average product

6. Labour productivity is defined as
   A. Output per man/hour
   B. Average output
   C. The maximum number of hour worked
   D. Total level of output

7. Efficiency of labour is enhanced by
   A. Involvement in own family affairs
   B. Mechanization processes
   C. War against indiscipline
   D. Improved working condition and training

8. Average Fixed Cost is
   A. Average Total Cost less the sum of Average Variable Cost
   B. Half the sum of all costs
   C. Total Fixed Cost divided by the level of output
   D. Total Fixed Cost plus Marginal Cost

9. The residual of production which accrues to the ownership of land after all other expenses have been met is called
   A. Wages B. Rent C. Interest D. Profit

10. In the history of Economic Thought, the concept of Division of Labour is usually associated with
   A. David Richardo B. J. M. Keynes
   C. Adam Smith D. Karl Marx

11. The form of capital which is usually consumed or transformed into finished goods and services in the production process is called
   A. Industrial capital B. Social capital
   C. Fixed captal D. Circulating capital

12. The shut-down point fora firm in the short run is the output at which
   A. The price of the product is lowest
   B. Marginal Cost is not constant
   C. Average Variable Cost is not covered
   D. Average Cost is minimum

13. In the long run a firm will leave an industry if price
   A. Does not cover at least Average Total Cost
   B. Is not equal to Marginal Cost
   C. Is higher than Average Variable Cost
   D. Is not at least equal to the minimum of the Marginal Cost curve

14. In the process of shipping, Mr X whose salary per month does not exceed N200, finds that the price of a commodity he used to purchase with a fixed amount of N200 has now risen to N230. He therefore decides not to buy this commodity at all Mr X is thus affected by the
   A. Substitution effect of a price change
   B. Income effect of a price change
   C. Opportunity cost of a price change
   D. Inflation effect of a price change

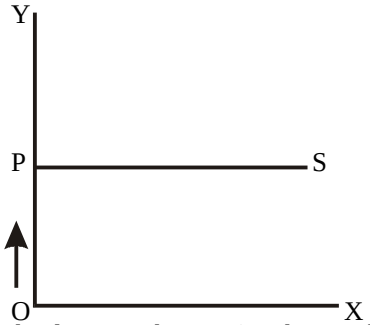
15. Price can be defined as
   A. A rate of exchange B. A medium of exchange
   C. The cost of a product D. The standard of accounting

16. In the operation of market forces, the market is in equilibrium at the point where
   A. Demand and supply curves intersect in more than one point provided the market is cleared
   B. The excess in the market can be conve niently stored
   C. Excess demand is negative
   D. Demand and supply curves intersect

17. A shift in the demand curve, for a commodity when the supply curve is vertical will lead to a change in the
   A. Price only B. Quantity only
   C. Quality only D. Price and quantity

18. Given an original price of N3.50 per kilogram of rice and a change in price of N1.40; and given the quantity purchased at the old price as 10kg and a change in quantity as 5 kg after the price change the elasticity is equal to
   A. 10.20 B. 3.57 C. 1.25 D. 0.80

19. For normal goods the income eleasticity of demand is
   A. Positive B. Negative C.Zero D. Infinite

20. 

In the diagram above, PS is the supply curve for a particular commodity, while OP is the price. Which of the following statements is correct?
   A. The quantity supplied is infinitely elastic
   B. When price is zero, the quantity supplied is infinite
   C. When price is infinite, the quantity supplied is zero
   D. The quantity supplied is indefinite

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Use the following information to answer questions 21 and 22

X, Y and Z are the only three consumers of a com modity.

Their respective demand schedules for the commodity are as given below:

X		Y		Z	
Price #	Quantity (Units)	Price #	Quantity (Units)	Price #	Quantity (Units)
0	24	0	15	0	40
2	15	2	10	2	30
5	10	5	5	5	15
10	0	10	2	10	5

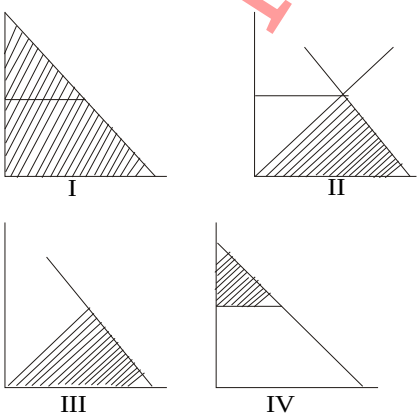
21 The market demand curve for the commodity cuts the quantity axis when quantity is
A. 75 units
B. 35 units
C. 7 units
D. Not determinable from he schedules except when graphed

22. What is market demand for the commodity when price is N5
A. 65 units B. 40 units C. 30 units D. 20 units

23. If a good is an inferior good, then
A. It is also necessarily a figgen good
B. The quantity of the good demanded varies inversely with its price
C. Its income elastic of demand is negative
D. The poor buy the good only out of habit

24. An increase in supply will lower price unless
A. Supply is perfectly inelastic
B. Demand is perfectly elastic
C. It is followed by an increase in demand
D. Demand is highly inelastic

25. Which of the following is compatible with a firm in a purely competitive market?
A. Demand is inelastic
B. Demand is infinitely elastic
C. Marginal Cost is falling
D. Price is greater than Marginal Cost



grams above is the consumer surplus correctly shaded?
A. I B. II C. III D. IV

27. What form of market is found in an imperfect competition where there are few buyers and many sellers?
A. Oligopoly B. Monopoly C. Duopoly
D. Oligopsony

28. To which of the following sectors do services belong?
A. Primary B. Secondary C. Tertiary D. Construction

29. The liability of the sole trade is
A. Indeterminable B. Unlimited
C. Transferable D. Limited

30. Which of the following is NOT a type of business ownership
A. Debenture holding B. Private company
C. Partnership D. Joint stock venture

31. Which of the following is a disadvantage of regional concentration of industries?
A. Development of congested urban areas
B. Existence of regional unemployment
C. High cost of labour
D. Immobility of labour

32. A limited liability company is usually owned by
A. An individual B. A government
C. Share-holders D. Two or more partners

33. Money market differs from capital market in that it
A. Deals with short-term loans while capital market deals with long-term funds
B. Deals with honey only while capital market deals with capital as well
C. Is limited in scope while capital market is not
D. Uses interest rates while capital market does not

34. The main reason for charging interest is to
A. Reward entrepreneurial effort
B. Redistribute profits
C. Reward investors for present use of capital
D. Mobilise more funds for development

35. In the keynesian model,
A. The demand for money is inversely related to the rate of interest
B. Investment is directly related tot he rate of interest
C. Investment is not related to the rate of interest
D. The demand for money is directly related to the rate in interest

36. If inflation is anticipated to continue,
A. People will lose confidence in goods
B. Lenders will demand higher interest rates
C. The growth of full-employment output will be accelerated
D. People will want to hold more money

37. Ad valorem tax means
A. A certain percentage tax based on the value of the commodity
B. A certain percentage tax based on the volume of the commodity
C. A tax on the income of the consumer

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D. Payment of a tax on the profits made

38. In order to raise more revenue for a certain period, government should impose higher taxes on goods whose demand is
A. Elastic B. Inelastic C. Perfectly elastic
D. Unitary elastic

39. A budget with a projected revenue in excess of its expenditure is said to be
A. Balanced B. Surplus
C. Deficit D. Inflationary

40. The money which government spends yearly for the maintenance of its schools is
A. Used only for wages and salaries
B. Part of the government's capital expenditure
C. Part of the government's recurrent expenditure
D. The government's budget for its schools.

41. Which of the following applies to a commodity sold abroad at a price lower than that in the producing country?
A. Dumping B. Counter-trade C. Bilateral trade
D. Trade liberalization

42. The rate of exchange between a domestic and a foreign currency is defined as the
A. Terms of trade
B. Domestic currency price of a unit fo the foreign currency
C. Foreign currency price of gold
D. Domestic currency price of gold

43. Which of the following best explains the structural changes in the population of a country?
A. Positive changes in the size and ethnic composition of the population
B. A decrease in the size of the population
C. An increase in the birth rate which is higher than the decrease in the death rate
D. Change in the age, sex and occupational composition of the population

44. Statistical information available in most West African countries suggests that
A. The marginal propensity to save is high
B. The marginal propensity to consume is high
C. The consumption pattern is negative
D. There exists perfect correlation between con sumption and savings

45. Transfer payments are
A. Transfer earnings
B. Money transferred from one country to another
C. Unearned income
D. Payment transferred from one account to another

46. Capital consumption allowance refers to
A. Personal consumption expenditure
B. Indirect business taxes
C. Depreciation of capital equipment
D. expenditure on capital equipment.

47. The difference between personal income and personal disposable income is
A. Personal income tax
B. Investment income
C. Personal savings
D. Consumption expenditure

48. Frictional unemployment
A. Is total unemployment minus structural
B. Occurs when the unemployed are persons with specific training
C. Occurs when the number of job seekers exceeds the number of vacancies.
D. Occurs when people are changing jobs.

49. For the improvement of the welfare of a people, a high production level is not enough because
A. The have-nots deserve more than a fair share
B. Equitable distribution is necessary
C. Productive efficiency is vital
D. Savings in the country must be guaranteed at more than 50 per cent of income earned.

50. Economic development is defined as
A. Positive change plus growth
B. Availability of more goods and services
C. Outward shift of the production possibility curve
D. Growth in the national income

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Economics 1988

1. Scarcity in economics means that
A. Human wants are limitless
B. The economy has very few resources
C. The economy can scarcely produce anything
D. Resources are limited in relation to wants

2. Economics is often described as a sciences because
A. Laboratory experiments are performed
B. It makes use of controlled experiments
C. It uses scientific methods to explain ob served phenomena and predict future events
D. It makes use of field work.

3. When a variable is associated with time period, it is
A. A flow B. A stock C. Circular D. Static

4. Ufuoma is a consumer. His scale of preference shows that he prefers a pair of shoes to a wrist watch; he prefers the wrist watch to a pair of trousers; he prefers the pair of trousers tot he pair of shoes.
This means that Ufuoma is
A. Rational B. Consistent C. Inconsistent

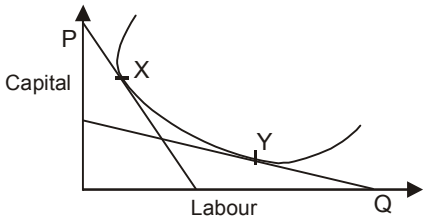
D. Transitive

5. Air is essential to life but commands no price! Diamond is not essential to life but commands a high price! This is the paradox of
A. Thrift B. Value C. Abundance D. Scarcity

6. The average product of labour in a given period is obtained by dividing the
A. Number of workers by the total product
B. Total product by the number of hours actually worked
C. Change in total product by the change in the total number of workers
D. Total product by the number of workers

7. Developments outside a given firm which reduce the firm costs are called
A. Internal economics B. External economics
C. External diseconomics D. Optimum effects

8. Which of the following BEST describes the products function"
A. It indicates the best output to produce
B. It relates naira inputs to naira outputs
C. It relates physical outputs to physical inputs
D. It indicates the best way to combine factors to produces any given output.

9. 

A textile firm operates a plant in the North (where capital is expensive relative to labour) as well as a plant in the South (where labour is expensive relative to capital). In the diagram above, the Southern plant will minimize cost by combining labour and capital in the amounts indicated by
A. P B. Q C. X D. Y

10. The Law of Diminishing Returns begins to operate when
A. Total product begins to rise
B. Total products begins to fall
C. Marginal product begins to fall
D. Marginal product begins to rise

11. The assumption of profit maximization implies that profits
A. Is the most important consideration of the firm
B. Is the sole consideration of the firm
C. Assumes an insatiable proportion in the instinct of management
D. Is made in order to break-even

12. Total fixed cost measures the cost of
A. All plant and machinery
B. All assets where quantity cannot be varied in the short run
C. All assets upon which the firm has control
D. Property owned by the firm

13. The output at which total revenue equals total cost is known as
A. Profit-maximizing output
B. Break-even level output
C. Loss-minimizing output
D. Least-cost output

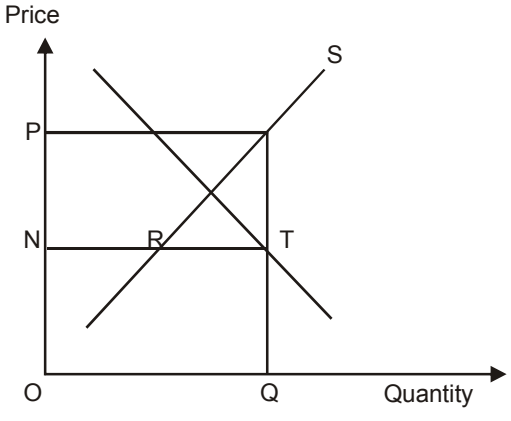
14. The demand and supply equations for a commodity are given respectively as
D = 20 -1/2P
S = 8 - 1/4P
Recalling that at equilibrium, D = S, the equilibrium price (P) and quantity (Q) can be obtained as
A. P = 12, Q = 16
B. P = 14, Q = 10
C. P = 12, Q = 14
D. P = 16, Q = 12

15. A commodity is said to have a derived demand when the commodity
A. And another have joint demand
B. Is demanded because of what it can help to produce
C. Is demanded for different purposes
D. Has inelastic demand

16. If all goods were free a rational consumer would consume
A. An infinite amount of each good
B. The amount where marginal utility became zero
C. The same amount as when each good had a price
D. The amount where marginal utility was the highest

17. Which of the following changes in equilibrium price and quantity is as a result of an upward shift in the market demand for a commodity?
A. Both the price and the quantity fall
B. The price rises and the quantity falls
C. The price falls and the quantity rises
D. Both the price and the quantity rise

18. One factor which influences the slope of a non-linear demand curve for a commodity is the
A. Price of the commodity
B. Quantity of the commodity demanded
C. Availability of substitutes
D. Availability of complements

19. 

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If in the demand-supply diagram above the quantity supplied is OQ, then

A. Price will be OP
B. There will be excess demand of RT
C. Price will be ON
D. Price will tend to rise

20. One of the characteristics of an imperfect market is
A. A large number of buyers and sellers
B. A lack of homogeneity of products
C. An adequate awareness of market conditions by buyers and sellers
D. The availability of substitutes

21. Total revenue is always equal to
A. Marginal revenue multiplied by the quantity sold
B. Average revenue plus marginal revenue
C. Marginal revenue multiplied by marginal cost
D. Average revenue multiplied by the quantity sole.

22. If prices fall in a perfectly competitive industry, the firms in that industry, in the short run will
A. Not decrease in number
B. Keep output at the same level but make losses
C. Reduce production
D. Intensify the advertisement of their products

23. Which of the following is TRUE at the quantity of output where Average Cost (AC) per unit has reached its minimum level?
A. AVC = FC B. MC = AC
C. MC = AC D. AC = AFC

24. In the short run, the monopolistic competitor
A. Always makes profit
B. Always incurs a loss
C. Always break-even
D. May close down

25. Price leadership is
A. A form of tacit collusion
B. Used to explain price rigidity
C. Illegal in Nigeria
D. A form of overt collusion

26. The additional revenue obtained by using one more until of a factor is called
A. Average product
B. Marginal product
C. Diminishing returns
D. Marginal revenue product

27. In a public company, entrepreneurial functions are performed by the
A. Workers B. Shareholders
C. General manager D. Board of directors

28. The most important limitations on the partnership as a form of business enterprises is the
A. Implication for partners' liability
B. Legal limitation placed on the number of partners
C. Difficulties arising from having two co-ordinate heads of a firm
D. Fact that each partner regardless of the capital he contributes, must have the same voting rights

29. Under partnership, investors who have no desires to be actively involved in the day-to-day management of such organisations, are called
A. Stockbrokers
B. Sleeping partners
C. Part-time investors
D. Ordinary partners

30. Localization of industries refers to the
A. Tendency to concentrate industries in particular areas
B. Sitting of industries in certain areas
C. Deliberate policy of influencing location of industries generally
D. Zoning of industries

31. Restriction on credit creation by commercial banks can be effected through
A. An overdraft
B. Loans and advances
C. Demand deposits
D. Liquidity ratio

32. Which of the following factors enhances the ability of commercial bank to create money?
A. Reduction in the reserve ratio
B. Leakage of cash out of the banking system
C. Excess reserves
D. Insistence on collateral security

33. In any economy, what is used as money is determined by
A. Government acceptance of a commodity standard
B. Government acceptance of an inconvertible paper standard
C. Laws and customs
D. Its use as a store of value

34. The rate at which money changes hands is known as the
A. Rate of inflation
B. Velocity of transaction
C. Velocity of money
D. Velocity of circulation

35. Merchant banks perform all the following functions EXCEPT
A. Raising of capital for industry
B. Provision of current account facilities
C. Management of investment portfolios
D. Provision of credit for overseas trade

36. Which of the following is a direct tax?

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A. Sales tax B. Purchase tax
C. Export duties D. Property tax

37. Which of the following is a direct tax?
A. Excise tax B. Corporate income tax
C. Property tax D. Highway-

38. When a nation is experiencing balance of payments surplus, it is in a better position to
A. Increase its foreign exchange reserves
B. Increase its liabilities to foreigners
C. Reduce its foreign exchange reserves
D. Devalue its national currency

39. Which of the following is a good example of invisible item on balance of payments account?
A. Shipping an aviation B. Export and imports
C. Merchandise D. Bullion

40. Deficit financing is mostly facilitated by the existence of
A. Stock exchange market B. Commercial bank
C. Central bank D. Capital market

41. The Malthusian theory of population predicts that growth in food production will
A. Keep pace with population growth
B. Be at a faster rate than population growth
C. Be at a slower rate than population growth
D. Be more rapid than population growth in the development countries

42. If aggregate income is N500.00 and aggregate consumption is N400.00, this means that the average propensity to consume is
A. 0.20 B 0.80 C. 1.25 D. 2.00

43. Which of the following items is subtracted when computing Gross National Product at factor cost, by the expenditure method?
A. Consumption expenditure
B. Indirect taxes
C. Exports and property income from abroad,
D. Gross Domestic Fixed Capital Formation

44. Which of the following occurs in the circular flow of economic activities with no leakages?
A. Consumption equals saving
B. Saving equals investment
C. Imports equal exports
D. National income equals national expenditure

45. In estimating the national income of a country, the three approaches usually adopted are the
A. Expenditure, value-added and output
B. Income, final product and output
C. Expenditure, income and output
D. Avoidance of double counting, final expenditure and value-added

46. If technology becomes less capital-intensive, it means
A. An increase in the capital/labour ratio
B. An increase in the labour/capital ratio
C. A fall in the labour/capital ratio
D. Increased unemployment

47. The most threatening problem for the less developed countries is
A. The continual depletion of their soil fertility
B. The rise of nationalism
C. Population explosion
D. Their indiference towards economics growth

48. An increase in an economy's productive capacity implies
A. An increase in the economy's rate of capital replacement
B. An increase in the economy's capital stock
C. A decrease in government spending
D. An increase in government spending

49. Collectivism refers to the system of management of state enterprises in a
A. Mixed economy
B. Co-operative organization
C. Capitalist economic system
D. Socialist economy

50. The group of unemployed members of a community who are physically handicapped or disabled, is generally classfied under unemployment as.
A. Frictional B. Cyclical
C. Residual D. Hidden

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Economics 1989

1. In its simplified form, the circular flow of income concept refers to the
A. Real flows in goods and services between the product and factor markets
B. Monetary payments for goods and services produced by individual firms
C. Transactions in goods and services and payments for such transactions between individual firms and households
D. Money flows associated with transactions between individual firms and households

2. The need to construct a scale of preference is necessitated by
A. The need to satisfy wants
B. Scarcity and the need for choice
C. Scarcity of resources
D. Non-availability of factors of production

3. A shift in the production possibility frontier could result from
A. The need to satisfy wants
B. Scarcity and the need for choice

C. Scarcity of resource
D. Non-availability of factors of production

4. The primary problem of economics is
A. To obtain a more equitable distribution of money income
B. Production a given output with the lowest cost combination of factors of production
C. Adoption of capital-intensive technology
D. Increasing the quantity of the fixed factor of production

5. Efficiency in production involves
A. Reducing the size of the work force
B. Producing a given output with the lowest cost combination of factors of production
C. Adoption the quantity of the fixed factors of production
D. Increasing the quantity of the fixed factor of production

6. If X represents the factors of production and Y represents the factor price, which of the following sets of association is correct?
A. (Land, rent), (capital, wage), (labour, profit),
B. (Land, interest), (capital, profits), (labour, wage),
C. (Land, wage), (capital, interest), (labour, rent),
D. (Land, rent), (capital, interest), (labour, wage).

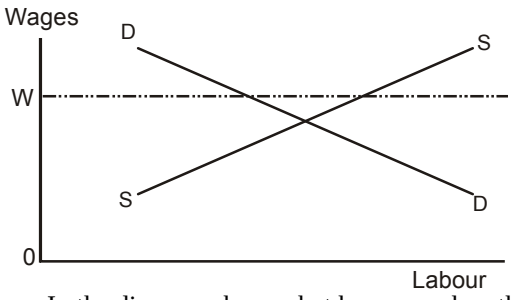
7. If the cost of production for a firm continues to increase as its output rises, the firm is said to be experiencing
A. Large-scale production
B. Profit maximization
C. Economies of scale
D. Diseconomies of scale

8. Given perfect competition in the capital market, the opportunity cost of capital is adequately reflected by the
A. Interest rate B. Returns on capital
C. Alternative capital foregone
D. Shadow rice of foreign exchange

9. If at 10k per kg, 1000kg of yam were purchased and a t 5k per kg, 1,500 kg were purchased, the resultant point elasticity of demand is
A. 0.33 B. 0.0001 C. 1 D. 10 000

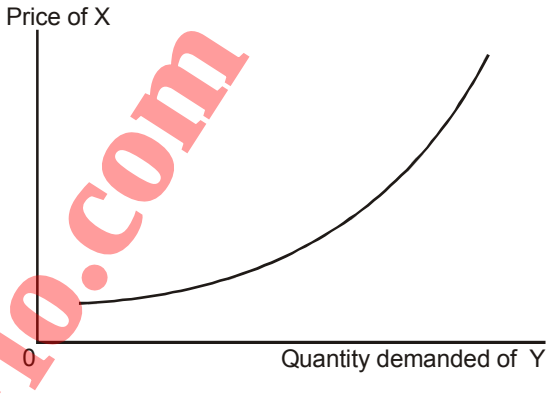
10. If, as the price of a commodity rises, the quantity demanded of the commodity remains the same, then the demand for the commodity is
A. Static B. Infinitely elastic
C. Externally determined D. Perfectly inelastic

11.



In the diagram above what happens when the minimum wage is fixed at OW?
A. Unemployment is reduced
B. Unemployment results
C. The demand schedule will shift
D. The supply schedule will become steeper

12.



If the curve above shows the relationship between the price of commodity X and the quantity demanded fo commodity Y, then X and are
A. Complementary goods B. Substitutes
C. Inferior goods D. Luxury goods

13. Which of the following factors is an important determinant of the magnitude of price elasticity of demand?
A. The production period
B. Cost of storage
C. Durability of the product
D. Availability of factors of production

14. The marginal theory of distribution makes an asser tion that the price of any factor depends upon its marginal
A. Utility B. Productivity
C. Rate of substitution D. Revenue

15. In order to increase its profit margin, the monopolist can manipulate
A. Both price and output B. Either price or output
C. Only it price D. Only its output

16. For a purely competitive industry, a fundamental requirement of the demand curve faced by individual firms is that it should be
A. Downward sloping and price inelastic
B. Perfectly price elastic
C. Downward sloping but price inelastic
D. Perfectly price inelastic

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17. The merging of firms engaged in different stages of production and marketing is called
A. External economies of scale
B. Vertical integration
C. Horizontal integration
D. Economic union

18. Which of the following is an important function of the retailer?
A. Grants credit to the wholesaler
B. Breaks bulk and sells products in small units
C. Reduces cost of distribution
D. Generates demand for products through advertisement

19.

Q(ton)	400	500	600	700	800	900	1000
TC(N)	16000	18000	19800	21000	24000	31500	4000
TR(N)	2000	22500	24000	24500	24500	18000	15000

The table above gives the various levels of output (Q) and its corresponding total cost of production (TC) and total revenue (TR) for a firm.
Which output level Q results in maximum profit?
A. 400 B. 500 C. 600 D. 700

20. One of the purposes of advertisement in marketing is to
A. Change the quality of the product
B. Raise the quantity of the product demanded as its price falls
C. Shift the demand curve for the product to the right
D. Raise production costs

21. The size of a business unit tends to be small if the activity
A. Involves mass production of goods
B. Requires a large capital
C. Requires division of labour
D. Involves the provision of direct services

22. Which type of business organization has the attribute of effectively combining management with control?
A. Sole proprietorship
B. Partnership
C. Limited liability company
D. Co-operatives

23. The co-operatives as a form of business organization differs from partnership by having
A. Several sources of capital for business financing
B. Ability to issue preferred stocks to members
C. Entrenched democratic control in the conduct of business
D. Established rules and regulations governing the activities of its members.

24. The type of business finance that entitles the holder to a fixed rate of dividend is
A. Preferred stock B. Common stock
C. Debenture D. Bank loan

25. Which of the business organizations listed below is characterized by limited authority and liability of the individual owners?
A. Sole proprietorship B. Partnership
C. Joint Stock company D. Co-operative society

26. A company is said to be highly geared if the
A. Value of fixed interest loans is high compared with share capital
B. Value of share capital is high compared with fixed interest loans
C. Dividend rate is high
D. Interest rate is high

NB. The company is said to be low - geared if the reverse situation applies

27. Industries that can be randomly located are characterized by
A. Relatively low transport cost for both raw materials and output and factor mobility
B. Relatively heavy transport cost for raw material or output
C. Constant returns to scaled
D. Significant economy of scale

28. The term 'double coincidence' of wants is usually associated with a
A. Bilateral exchange mechanism
B. Monetary exchange mechanism
C. Stock exchange system
D. Barter exchange mechanism

29. A major factor affecting the value of money is the
A. Price level
B. Banking habit
C. Transaction motive
D. Divisible nature of money

30. Cost-puch inflation is caused by
A. Growth of government expenditure
B. Increase in factor prices
C. Increase in money supply
D. Hoarding

31. The stock exchange market is where
A. Businessmen borrow some capital
B. The federal government trades on treasury bills
C. Existing bonds and stocks are traded
D. New stocks and shares are bought or sold

32. Commercial bank reserves at the Central Bank have the effect of
A. Controlling credit and money supply
B. Discouraging banking operations
C. Advancing trade prospects
D. Reducing bank frauds

33. A tax is defined as regressive if
A. The proportion of income paid as tax increase as the income level increases
B. All income groups pay the same percentage their income as taxes
C. The proportion of income taken by the tax falls as income increase

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D. The proportion of income taken by the tax is a fixed nominal amount of income fr all income groups

34. Government intervention in an economy is often justified on the on the ground that
A. Wants are unlimited while resources are scarce
B. Productivity is higher in the public than in the private sector
C. Free market may not work or produce desire results
D. Opportunity cost of government expenditure is zero

35. The three major groups of government revenue are
A. Investments income, direct tax and indirect tax
B. Import duties, excise tax and export duties
C. Company tax, personal income tax and import duties
D. Company tax, import duties and excise tax

36. The main objectives of public expenditures does NOT include
A. Stabilization of national economy
B. Achievement of a more equitable income distribution
C. Meeting the social heeds of the people
D. Revenue sharing and profit maximization.

37. A perfect example of a public good is
A. Air B. Education C. Defence D. transport

38. A balanced budge is defined as a condition of
A. Balance of payments equilibrium
B. Equality of aggregate demand and aggregate supply
C. Equality of planned receipts and planned expenditure
D. Equality of planned exports and planned imports

39.

ITEM	AMOUNT (Million Naira)
Visible exports	55.54
Visible imports	53.32
Invisible exports	30.56
Invisible imports	28.70
Balance	4.08

The amount, N4.08 million, shown as balance in the table above represents
A. Terms of payments B. Balance on current account
C. Balance of trade D. Terms of trade

40. By using exchange controls, a country tries to eliminate a balance of payments deficit by
A. Limited her imports to its currency value of exports
B. Reducing the nations domestic price level
C. Limiting her exports to its currency value of imports
D. Overvaluing the country's currency

41. The law of comparative advantage states that a country should spcialize in the production of a commodity
A. For which local demand is greatest
B. In which its opportunity cost is lower than that of the trade partner
C. For which foreign demand is greatest
D. For which there is abundant supply of raw materials

42. International and inter-regional trade differ primarily because.
A. comparative advantage is relevant to the former but not the latter.
B. products flow across national boundaries
C. there are different resources supplies among countries of the world
D. of regulation from GATT.

43. Optimum population is the population level at which
A. Death rate is at a minimum
B. Per capita income is at maximum
C. Population is at a miximum
D. Death rate is equal to birth rate

44. The group of people engaged in banking or insurance services by occupational distributions are claasified as
A. Primary producers
B. Secondary producers
C. Tertiary producers
D. Technical producers

45. The difference between gross national product and net national product is equal to
A. Gross investment
B. Net investment
C. Net foreign income
D. Capital depreciation

46. The value of the total output produced within Nigeria by all residents (citizens and non-citizens) is referred to as the
A. Gross national product
B. Disposable income
C. National income
D. Gross domestic product

47. The multiplier is defined as
A. The ratio of the change in income to the change in investment
B. The change in investment dividend by the change in income
C. $\frac{1}{(1-MPS)}$ D. $\frac{1}{(MPC)}$

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48. If C stands for consumption expenditure, I for investment, X for exports, and M for imports, then national income is

A. C + I+ X + M B. C + I+X - M
C. C + I - X + M D. C + I + X

49. A sustained increase in the per capita income of a country over a period of time is called

A. Economic growth
B. Economic development
C. Structural change
D. Stagflation

50. The primary goal of development planning in Nigeria is to

A. Increase profitability of enterprises
B. Achieve a rapid increase in the welfare and standard of living of Nigerians
C. Increase the level of gross domestic product
D. Make Nigeria a super-power

Economics 1990

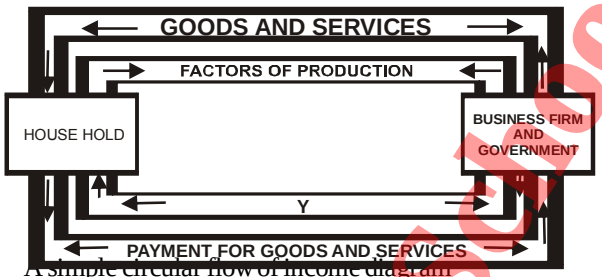
1. If one orange costs 20k and one kilogram of beef costs N10.00, the opportunity cost of one kilogram of beef is

A.50 orange B. 10 orange
C. 5 orange D. N9.80

2. In economic life. Choice among alternative depends on the

A. Income of the decision make
B. Scarcity of resources
C. Scale of preference of the decision maker
D. Status of the decision maker

Use the diagram below to answer question 3 and 4



A simple circular flow of income diagram

3. The flow labelled Y refers to

A. Real income B. Factor payments
C. Factors input D. National income

4. The lower half of the diagram indicates

A. The flow of goods and services
B. Payment for goods and services
C. The flow income
D. Government transaction

5. One of the major advantage of specialization is that

A. The worker becomes a tender of machines
B. It causes more employment of labour
C. Less machinery is required for production
D. The worker waster less time between operation

6. Which of the following reward is associated with entrepreneurship as a factor of production?

A. Salaries B. Profits C. Interests
D. Rent

7. A firm achieves least-cost in production by substitu tion factors until

A. Their prices are equal
B the ratio of their marginal-physical-products equals the ratio of their prices
C. Their marginal-physical-products are each equal to their factor prices
D. Their marginal-phsical-products are each equal to zero

8. Economics of scale operate only when

A. Marginal cost is falling with input
B. Average cost is falling with output
C. Fixed cost is variable
D. Variable cost is less than fixed cost

9. At the point of profit maximization by a firm, marginal cost is

A. Minimum B. Falling C. Constant
D. Rising

10. A Situation in which all inputs are doubled and output also doubles is known as

A. Constant proportion B. Constant returns
C. Increasing returns to scale
D. Constant returns to scale

11. The demand curve would shift to the when there is a rise in

A. Constant proportions B. Constant returns
C. Increasing returns to scale E. Constant returns to scale

12. The law of diminishing marginal utility indicates that if a consumer increase his consumption of a commodity continously his

A. Total utility must fall
B. Marginal utility must fall
C. Marginal utility may rise even though his total utility is falling
D. Marginal utility may fall even though his total utility may be rising

13. Technical progress that leads to reduction in costs result in

A. An increase in equilibrium price and quantity
B. A decrease in equilibrium price and quantity
C. An increase in equilibrium price and de

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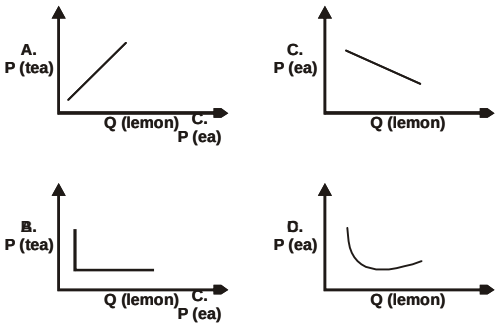
crease in equilibrium quantity

D. A decrease in equilibrium price and increase in equilibrium quantity

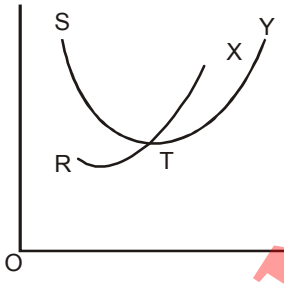
14. If an increase in income induces a reduction the demand for beans, beans can be referred to as
A. A normal good B. An inferior good
C. A substitute D. A giffen good

15. The demand for a product is said to be price inelastic if
A. The price elasticity of demand is less than one
B. The price elasticity of demand is greater than one
C. A reduction in price results in an increase in quantity demanded
D. An increase in price result in a decrease in the quantity demanded

16. Which of the following graphs represents the price quantity relationship between tea and lemon, if they are perfect complements?



17. In the below diagram, RTX, are the marginal cost and the average cost curve respectively of a perfectly competitive firm. The supply curve of the firm is indicates by
A. TX B. RT C. ST D. TY



18. An imperfect market in which there is only one buyer of a commodity is
A. Monopsony B. Oligopoly C. Monopoly
D. Duopoly

19. The tailoring service is competitive partly because it consists of a large number of
A. Large-scale enterprises
B. Medium scale enterprise
C. Small scale enterprises
D. Government-owned enterprises

20. Which of the following is applicable to a monopolistic firm operating at the output where marginal cost equals marginal revenue?
A. Cost of production is at a minimum
B. The plant is of optimum size
C. Price is above marginal revenue
D. Average variable cost is at a minimum

21. Which of the following is the major function of the wholesaler?
A. Bulk breaking
B. Provision of useful information to the manufacturer on products
C. Provision of after sales service to consumers
D. Provision of warehousing facility

22. In the distribution channels for goods and services, the middleman's mark-up margin provides a rough measure for the
A. Quantity discount allowed final consumers
B. Reward for business entrepreneurship
C. Effectiveness of government control over economy's marketing channels
D. Extent of exploitation of the final consumer

23. Which of the following reasons could induce a manufacturer to by pass the wholesaler in the distribution chain?
A. To provide the quantity needed by retailers
B. To collect usefully information on his product
C. To provide ware housing facilities
D. To violate government regulation on distribution

24. A major difference between a state-owned enterprise and private enterprise is that the former
A. Is not expected to cover its cost of production while the latter is
B. Is not always expected to maximize profits while the 33 later is
C. Has shareholders while the latter does not
D. Has a board of directions while the latter does not

25. Divorce of ownership from control is a characteristic of
A. Sole proprietorship
B. A limited liability company
C. Partnership
D. A private limited company

26. Capital provided by individuals to the firm by purchasing stocks is called
A. Debt capital B. Fixed capital
C. Circulating D. Equity capital

27. Which of the following factors is the most important in siting a petro-chemical plant?
A. Nearness to the source of raw materials
B. Nearness tot he source of power
C. Availability of labour
D. Proximity of financial institutions

28. Which of the following will be the effect of allowing only economic factors to dictate the location fo industries in Nigeria?
A. A more even development of the different parts of the country will be assured

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B. There will be an unbalance spread in the distribution of industries
C. The less developed parts of the country will be able to attract more industries
D. Only the government will be able to finance the establishment of industries

29. If the same basket of goods which cost N12.00 in 1985 cost N15.00 in 1987 is
A. 25 B. 80. C. 100 D. 125

30. Which of the following is like to be inflationary?
A. Tax increase B. Increase in unemployment
C. Budget surplus D. Wage increases

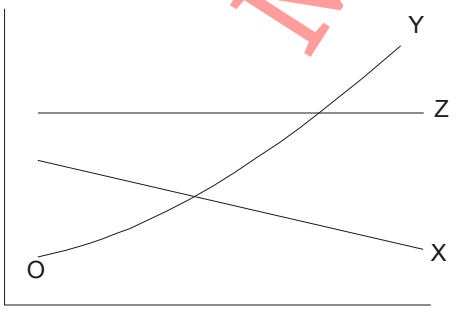
31. The basic purpose of imposing legal reserve require ments on commercials banks is to
A. Assure the profitability of commercial banks
B. Provide a device through which credit creation by bankscan be controllled
C. Provide a proper ratio between earning and non-bank assets
D. Provide the Central Bank with with working Capital

32. Find the total credit that the banking system can create if primary deposits is just N100.00 while the cash ratio is 20%
A. N700.00 B. N600.00 C. 500.00 D. N400.00

33. Which of the following is a liability of a commercial bank?
A. Deposits in the bank
B. Loans made by the bank to individuals
C. Loans made by the bank to other banks
D. Bonds purchased by the bank

34. A tax on a commodity whose supply is perfectly inelastic is
A. Shifted completely on the consumer
B. Completely borne by the supplier
C. Divide in the ratio 60:40 between the consumer and the supplier
D. Divided half-and-half between the producer and the consumer

Use the figure to answer question



35. The relationship between tax rate and income which is relevant to a progressive tax is shown by
A. Curve X B. Curve Y C. Curve Z
D. Curve X and Z

36. The relationship between tax rate and income which is relevant to a proportional tax is depicted by
A. Curves Z and Y B. Curve X
C. Curve Z
D. Curve Y

37. Under a system of freely floating exchange rate, an increase in the international value of a country (s)currency will cause
A. Its exports to rise
B. Its imports to rise
C. Gold to flow into that country
D. Its currency to be in surplus

38. Balance or trade is te difference between
A. Exports and imports of goods and service
B. Capital inflows and capital outflows
C. Visible and invisible balances
D. Exports an imports of goods

39. Which of the following is likely to reduce a surplus in the balance of payments of a country?
A. Devaluation B. Increased tarrif on imports
C. Export promotion D. Currency appreciation

40. Which of the following is a tariff?
A. Limit on the amount of good which can be imported
B. Interest rate on foreign loans
C. Government payment to domestic producers for exports
D. Tax on imported goods

41. Import duties will increases total expenditure on imports if the demand for imports is
A. Elastic B. Inelastic C.Infinitely elastic
D. Derived

42. Which of the following is likely to hinder labour mobility in Nigeria?
A. Higher wages elsewhere
B. Cultural similarities
C. Good accommodation
D. Ignorance of job opportunities elsewhere

43. If birth rate is constant and death rate declines, population
A. Falls B. Expands C. Stabilizes
D. Oscillates

44. If the government invests the sum of N1 000.00 and the marginal propensity to consume is 0.75, what it the change in income?
A. N 1000 000.00 B. N4 000 000.00
C. 6 000 000.00 D. N14 000 000.00

45. The system of measurement of national income as the sum of all final demands is called
A. Income approach B. Expenditure approach
C. Is payable tot he disabled members of the community
D. Accrues tot he environmental sanitation authorities for refuse

46. Disposable income is an income which
A. Is available for consumption and savings

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B. Pensioners receive from the government
C. Is payable tot he disabled members of the community
D. Accrues to the environmental sanitation authorities for refuse disposal

47. In equilibrium, injections are equal to
A. Withdrawals B.Surplus of imports over exports
C. Government spending D. Wages

48. Social overhead capital refers to
A. Balanced growth B. Gross investment
C. The building of infrastructures
D. Capital formation

49. The most common index used for measuring development is
A. The level of literacy B. Per capita income
C. Nutritional level D. Population growth rate

50. Agriculture is central to Nigeria's economic develop ment because
A. Nigeria's comparative advantage lies mainly in agro-allied industries
B. Agriculture is the largest employer of labour
C. Agriculture accounts for an insignificant domestic product
D. Nigeria earns limitless goreign exchange from agriculture

Economics 1991

1. In market economy, the question of what, how and for whom to produce are solved by the
A. Elected representatives of the people
B. Planning committee
C. Price mechanism
D. Government

2. Economic goods are termed scarce goods when they are
A. Not available insufficient quantities to satisfy all wants for them
B. Not produced in sufficient quantities to satisfy the effective demand them
C. Of high quality
D. Of primary importance in satisfying the needs of a society

3. A school girl who needs a book and mirror, each costing five naira, decides to purchase the book instead of the mirror since she cannot pay for the two at the same time. Determine the real cost of her books
A. The five naira she spent on the book
B. Five naira real cash value
C. The mirror D. The book

4. Macroeconomics is a study of economic science from the point of view of
A. Resource markets or production units
B. Individual producers of consumers
C. Aggregate or general economy
D. Companies or individual firms

5. In combining inputs x and y the entrepreneur obtains the maximum output from a given money outlay when
A. $\frac{Px}{Mpx} = \frac{Py}{Mpy}$

B. $\frac{Mpx}{Px} = \frac{Mpy}{Py}$

C. Px.MPx=Py.MPy

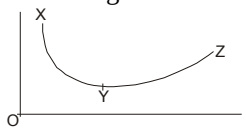
D. Px.Py=MPx.MPy

6. If units of a variable factor are increasingly added to a fixed factor and the marginal physical product keeps increasing, production is said to be taking place under condition of
A. Increasing returns to the variable factor
B. Increasing returns to scale
C. Constant returns to the variable factor
D. External economies of scale

7. At any given level of output, the total cost of a firm equals the
A. Marginal cost plus the average cost
B. Fixed costs less its variable cost
C. Average cost multiplied by its output
D. Economic costs multiplied by variable costs.

8. At any given level of output, a firm's total variable cost equals
A. Total cost less marginal cost
B. Total cost less total fixed cost
C. Total cost less average cost
D. Average variable cost and marginal variable cost

9. Consider the following diagram where XYZ repre sent the average cost curve of a firm.



XY shows that as output increases the average cost declines. However, this decline cannot continue indefinitely because of
A. Managerial economies
B. Indivisibilities
C. The extent of the market
D. The pooling of dissimilar risks

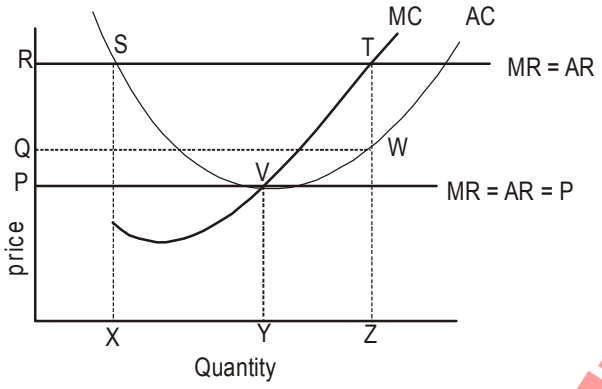
10. If the price of a ball point pen falls from N1.00 to N0.60 and the quantity demanded increases from 200 to 300, the point elasticity of demand is equal to.
A. 1.25 B. 0.80 C. 0.50 D. 0.40

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11. If a society is operating on the production possibility curve, this implies that the resources are
A. Fully and efficiently utilised
B. Fully but inefficiently utilised
C. Efficiently but not fully utilised
D. Abundant

12. A market is in disequilibrium if
A. The quantity purchased is greater than the quantity sold
B. The quantity sold differs from the quantity purchased
C. At a lower price, a larger quantity is sold
D. The quantity demanded differs from the quantity supplied

Use the diagram below to answer questions 13 and 14,



13. The excess profit made by the firm in the short-run is represented by
A. ORTZ B. OPVY C. QRTW D. ORSX

14. The long-run equilibrium price and quantity for the firm are respectively
A. OP, OY B. OR, OZ C. OR, OX D. OQ, OZ

15. The cross-elasticity of demand between complemen tary goods is
A. Unitary B. Positive C. Zero D. Negative

16. Resources are efficiently allocated when production takes place at that output where price equals
A. Marginal revenue
B. Average variable cost
C. Marginal cost D. Total cost

17. Comparison of the price and output decisions of a perfectly competitive firm with those of a monopolist shows that the
A. Monopolist charges a lower price than the perfect competitor
B. Perfect competitor charges a lower price and produces a larger output than the monopo list
C. Perfect competitor produces a smaller output than the monopolist
D. Monopolist charges a lower price and produces a larger output than the perfect competitor.

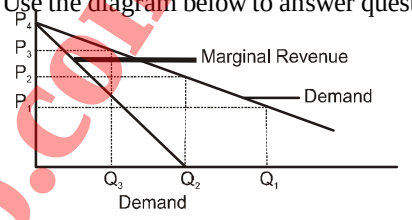
1000

Q (tons)	600	700	800	900
TC (#) 6800	8700	8400	9600	1100
MC (#/ton)	10	6	12	14

18. Consider the table above showing output (Q), total cost (TC) of production and marginal cost (MC) for a firm in a competitive market. Suppose price (P) = N12, what is the maximum profit the firm can make?
A. N2 000.00 B. N1 200.00 C. N1 000.00
D. N400.00

19. In a perfectly competitive market, the firm is in long-run equilibrium at the output where
A. Marginal cost is minimum
B. Average cost is minimum
C. Total revenue is maximum
D. Marginal revenue is maximum

Use the diagram below to answer questions 20 to 22



20. The firm portrayed is selling in
A. A purely competitive market
B. A market in which demand is elastic at all prices
C. An imperfectly competitive market
D. A market in which companies produce homogeneous commodities

21. Demand is relatively inelastic
A. At P2 range B. In the P2 P4 price range
C. At P3 only D. At any prices below P2

22. Which of the following statements must hold if price discrimination is to be possible?
A. Elasticities in the various markets must not differ
B. The seller must recognise
C. The markets must not be separated but integrated
D. The markets should be separable but there should be no resale

23. The ordinary partner in a partnership
A. Takes no active parti in management of the business
B. has limited liability in case of business failure
C. Has unlimited liability in case of business failure
D. Cannot be sued personally on matters relating to the business

24. A possible factor which limits the extent of growth of a firm is the
A. Existence of a monopoly
B. Bureaucratic delays in decision-making
C. Use of by-products
D. Unwillingness to share ownership and control

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25. One of the most outstanding disadvantage of co-operative societies as business organization is that
A. True spirit of co-operation is marred by delegated authority
B. Members show much interest
C. It is poorly financed
D. Membership interest is centered on sharing of essential commodities

26. A disadvantage of a join-stock company is
A. Unlimited liability
B. Limited liability
C. Continuity
D. Loss of controlling interest

27. A characteristic of a debenture is that
A. Its yield is based on profits
B. Its yield is a fixed rate of interest
C. It has no redemption date
D. There is a voting when interest is paid

28. Industries tend to be located closer to market centres than to the sources of major raw materials if the
A. Products are relatively cheap to transport to market centres
B. Products are relatively more expensively to transport are relatively more expensive to transport than the major raw materials
C. Raw materials are bulky
D. Raw materials can also be imported

29. One disadvantage of trade by barter is that
A. People are happier when they exchange the same quantities of goods through the medium of money rather than by baster
B. The person wishing to buy good X may not have good Y which is what the other person wants
C. One person must always be cheated when trade takes place by barter
D. It increase the initial cost of producing goods

30. One of the functions of Development Banks is to
A. Mint money for the development of the economy
B. Provide short-term loans to commercial banks
C. Provide medium and long-term finance for development of the banking system
D. Provide medium and long-term finance for the development of the economy

31. To perform its function as a store of wealth and standard for deferred payment, money must be
A. Portable B. In attractive form
C. Stable in value
D. Spent more on capital goods than on consumer goods

32. Fiduciary issue is that part of
A. The issue of notes backed entirely by gold
B. A country's currency which is not negotiable
C. The issue of notes not backed by gold
D. A country's currency officially issued

33. An effect of inflation is that is
A. Discourages trade by barter
B. Favours debtors at the expense fo creditors
C. Increases the real income of salary earners
D. Increases the value of a country's exports

34. Banks aid economic expansion and development by
A. Being very strict in lending policies
B. Mobilizing savings for investment lending
C. Paying interest on deposit accounts
D. Charging high interest on loans

35. The term 'Stock of Capital' means
A. Amount of money necessary to start a business
B. Total amount receiveable by all factors of production
C. Amount of equipment plant and inventory existing at a time
D. Total amount available for economic development

36. A tax that takes an increasing fractional of income as income goes down is called
A. Conditional B. Regressive C. Progressive D. Proportional

37. Budget deficit is the amount by which
A. Total expenditure exceeds revenue
B. Recurrent expenditure exceeds revenue
C. Capital expenditure exceeds revenue
D. Recurrent expenditure exceeds capital expenditure

38. The average tax rate is defined as
A. Total tax rate less the marginal tax rate
B. The tax rate which applies to additional value of income
C. The ratio of total taxes paid to total income
D. Marginal tax rate for being progressive

39. Personal distribution of income implies
A. The way income is distributed among specific households or spending units
B. The distribution of income according to basic resource classes
C. Dividing income according to industries
D. Dividing income between personal taxes consumption expenditures and savings

40. One of the advantages of international trade is that is
A. Increases world output
B. Encourages economic independence among nations
C. Restricts spread of technical knowledge
D. Promotes self-reliance and satisfaction with only what can be produced internally

41. There is an improvement in the terms of trade of a country if
A. A large quantity of exports is given up to obtain a unit of imports
B. The volume of exports is greater than the

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volume of imports

C. A smaller quantity of exports is given up to obtain a unit of imports

D. The value of exports is greater than the value of imports

42. Under flexible exchange rates, a deficit could be corrected by
A. Freezing the gold point
B. Appreciation of other currencies
C. Removing export subsidies
D. Removing tariffs

43. The higher the dependency ratio the
A. Larger the proportion o f the employed relative tot he unemployed
B. Smaller the proportion of the active labour force relative to the inactive
C. Smaller the number of the non-working age groups relative to the active labour force
D. Lower the birth rate

44. The age distribution of a country's population is of economic importance because it affect the
A. Pattern of expenditures
B. Size of the army
C. Optimum size of firms
D. Location of industries

45. It is important to measure the National Income of a country because
A. It is a major determinant of the standard of living
B. It reveals hazards of development like pollution and congestion
C. It reveals the distribution of the citizens' savings in foreign banks
D. Its size determines the extent of political stability

46. The Gross Domestic Product is defined as the total value of
A. All final goods and services produced in a country during the year
B. All assets of a country in a particular year
C. Exports net of total value of imports
D. All receipts.

47.

Stage of Product	Value of Input	Sale Value of Output
Maize farmer	-	N10.00
Flour miller	N10.00	N12.00
Baker	N12.00	N15.00
Shop keeper	N15.00	N20.00

The value of total output in the economy using the value added approach is
A. N57.00 B. N37.00 C. N20.00 D. N15.00

48. If W stands for wages/salaries, P for profit, R for interest and Z for rent on land and real estate, then national income is
A. W - P - R - Z B. W + P + Z - R
C. P - R - Z + W D. W + P + R + Z

49. In the national income and product accounts, double counting is avoided if
A. Only final goods are counted
B. Only intermediate goods are counted
C. Only intermediate and final goods are counted
D. The value of all goods and services are added together

50. A major obstacle to economic development is
A. A rise in industrial output
B. Low farm productivity
C. Free trade
D. Ineffective trade unions

Economics 1992

1. Which of the following situations can give rise to economic problems?
A. Unlimited human wants
B. Wants of varying importance
C. Limited means available for satisfying wants
D. Means used in different ways.

2. Scale of preference refers to
A. Consumers preference for luxurious goods
B. The household monthly income
C. List of goods and services in order of priority
D. Budget preparation without paying due regard to priority

3. For an economy which last year produced only two commodities X and Y, the real cost of the quantity of X which it produced can be measured by the
A. Amount of X it could not produce
B. Amount of Y it produced
C. Total amount of Y it could have produced
D. Extra amount of Y it could have produced

4 which of the following is applicable in a wholly capitalist economy?
A There is government intervention in price determination.
B. consumer sovereignty does not exist.
C. The price mechanism allocates resources.
D households cannot freely decide what to spend on goods and service.

5

Age group(years)	Distribution (%)
Above 60	30
15 - 60	45
0 - 14	25

The estimated dependency ratio of the population

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distribution shown above is

A. 11 : 9
B. 9 : 11
C. 7 : 3
D. 3 : 7

6.

Population (Million)	Food Production (million tonnes)
50	220
70	210
90	225
100	275

In the data above, what is the optimum population is million?

A. 50 B. 70 C. 90 D. 100

7. The major objective of the current campaign for family planning in Nigeria is to

A. Reduce the death rate
B. Limit the number of women a man can marry
C. Keep the population growth rate constant
D. Raise the standard of living of the popula tion

8. The migration of young people from rural to urban areas in Nigeria should help to raise the

A. Standard of living in the urban areas
B. Total productivity of labour in the rural areas
C. Marginal productivity of labour in the rural areas
D. marginal productivity of labour in the urban area

9. By definition, variable cost (VC) is related to total costs (TC) and fixed cost (FC) by the equation.

A. VC = TC + FC
B. VC = TC - FC
C. VC = TC/FC
D. VC = (TC)(FC)

10. The higher the price fo capital relative tot he price of labour, the more production techniques should be

A. Labour-intensive
B. Capital-intensive
C. Fixed
D. Technology-intensive

Use the following production and cost data of a profit-maximizing firm to answer questions 11 and 12

Unit of Total Input	Total Output	Total Fixed Cost	Total Variable Cost
0	0	100	0
1	3	100	100
2	8	100	124
3	16	100	172
4	20	100	190
5	22	100	200

Calculate the marginal physical product of the last unit of input

A. 0 B. 2 C. 4 D. 10

11. At what level of input has diminishing marginal returns set in?

A. 3 B. 16 C. 20 D. 22

13. The U-shape of the long-run average cost curve can be experience by the

A. Law of increasing returns
B. Law of constant returns
C. Law of diminishing returns
D. Concepts of economics and diseconomics of scales

14.

Quantity of Singlets	Short-run total costs(N)
0	1 000
10	1 200
20	1 400
30	1 600
40	1 800

The short-run total costs for different level of output for a firm producing singlets are shown above. Calculate the variable cost per unit at an output of 20

A. N1000 B. N 400 C. N 70 D. N 20

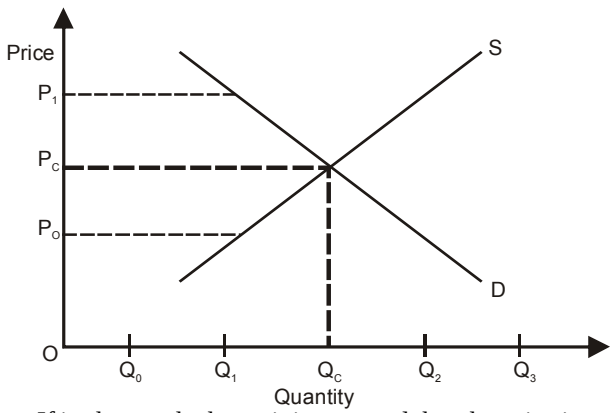
15. The price mechanism is more effective in achieving efficient performance of the economy than the planning mechanism because of the

A. Role of supply and demand
B. Role of material incentive
C. Existence of buyers and sellers
D. Role of money

16. If demand is relatively inelastic and sellers are able ro raise the price of their commodity, then there will be a

A. Fall in both quantity demanded and total revenue
B. Fall in the quantity demanded and a rise in total revenue
C. fall in the quantity demanded and a rise in marginal revenue
D. rise in both the quantity demanded and the marginal revenue

17.



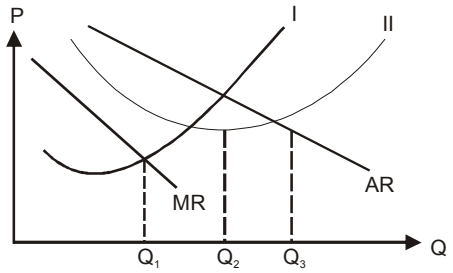
18. If in the graph above, it is assumed that the price is initially P1, it can be deduced that price will

A. Fall because there is a surplus
B. Remain constant because it is the equilibrium

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price
C. Rise because there is a shortage
D. Double

19.



In the diagram above, the profit maximizing output is

A. Q1 while 1 = AC and II = MC
B. Q1 while 1 = MC and II =AC
C. Q2 while 1 = MC and II = AC
D. Q3 while 1 = AC and II = MC

20. A firm with marginal cost equal to its marginal revenue will produce will produce the equilibrium output if it is in
A. Pure competition only
B. Prue monopoly only
C. Monopolistic competition only
D. Any type of market

21. An important function for the retailer is to
A. Grant credit tot he wholesaler
B. Break bulk and sell products in small units
C. Reduce cost of distribution
D. Generate demand for products through advertisement

22. The main handicap of sole proprietorship is
A. Limited liability
B. Lack of technical know-how
C. Low profit margin
D. Inadequate capital

23. The type of business organization mostly used for producing public goods in Nigeria is
A. Sole proprietorships
B. Limited liability companies
C. Co-operative societies
D. Statutory corporations.

24. The main reason for the current programme of privatization and commercialization of public enter prises in Nigeria is to
A. Reduce public expenditure
B. Encourage efficiency in the performance of such enterprises
C. Reduce the number of public enterprises
D. Raise the prices of goods and services produced by the enterprises

25. The types of business finance that entitles the holder to a fixed rate of dividend is
A. Preferred stock
B. Common stock
C. Debenture
D. Bank loan

26. Farmer's income may fall if they produce more cash crops for export because
A. Foreign demand is inelastic
B. The price of the crops will rise
C. Of domestic currency depreciation
D. Of export duties

27. Under the Nigerian structural adjustment programme, the marketing of agricultural commodities in Nigeria has been placed under
A. The marketing boards
B. The commodity boards
C. The river basin authorities
D. Private investors and individuals

28. The primary barrier to land reform in developing countries is the
A. Frequent opposition by the landlords
B. Realization that output levels might fall
C. Fear that peasants will be cut off from credits
D. General contentment with the present arrangement

29. Firms are often set up close to each other in order to take advantage of
A. Supply of skilled labour
B. Agglomeration economies
C. Internal economies of scale
D. External economies of scale

30. The consumer-goods industry is predominant in the industrial sector of the Nigerian economy because of
A. Availability of market and most of the raw materialsrequired
B. Availability of the necessary machinery required
C. Experience of Nigerian producers
D. Relatively lower cost of production of such goods

31. A significant effect of the growth of the oil sector in Nigeria has been to
A. Increase the rate of unemployment
B. Diminish the percentage contribution of the agricultural sector to GNP
C. Slow down the pace of industrialization and urbanization
D. Retard the rate of economic growth

32. Because most of her crude oil is exported, the foreign exchange earnings and the forward linkage effects Nigeria realizes from her oil production are
A. Both high
B. Respectively high and low
C. Respectively low and high
D. Both low

33. Which of the following is NOT directly concerned with dealings in treasury bills?
A. The Stock Exchange
B. The Central Bank

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C. Commercial banks
D. Discount houses

34. Monetization refers to the ratio of
A. Total transactions to monetary transactions
B. Monetary assets to total assets
C. Monetary transactions to total transactions
D. Money in circulation to total income

35. The best way to reduce the supply of money in the economy is to
A. Increase the liquidity ratio
B. Increase the number of bank notes and cheques produced
C. Decrease treasury bills
D. Liberalize access to credit

36. The total amount of money in circulation includes cash
A. And current account balance owned by the non-bank public
B. Owned by banks and the non-bank public
C. And current account balances owned by banks and the non-bank public
D. Owned by banks, the government and the non-bank public

37. To reduce the high rate of inflation in the economy, Government should
A. Increase taxes and have a budget surplus
B. Increase taxes and have a budget deficit
C. Decrease taxes and have budget deficits
D. Decrease taxes and have a balanced budget

38. When interest are high and still rising the least-cost method used by public limited companies to obtain additional funds for their operations is by
A. Obtaining long-term loans from merchant bank
B. Obtaining short-term loans from commercial banks
C. Selling floating-rate debenture stocks to the general public
D. Selling new ordinary shares to the general

39. The objective of public finance is to promote
A. Full employment, national income and price stability
B. Government revenue drive and expenditure to as high a level as possible
C. The expansion of government social-services
D. Government revenue drive and minimise government expenditure

40. An account from which allocations are made to the three tiers of government in Nigeria is called the
A. National Income Account
B. Public Sector Account
C. Federation Account
D. National Revenue Mobilization Account

Use the information below to answer question 41 and

	Year 1	Year2
GNP at current prices (Nm)	20,000	27,000
Population (million)	20	24

41. What is the percentage increase in GNP between year 1 and year 2?
A. 3.5%
B. 14.0%
C. 20.0%
D. 35.0%

42. Calculate the GNP per head of the population in year 1 and year 2

A.	N2000.00;	N1000.00
B.	N1125.0;	N2000.00
C.	N1000.00;	N2000.00
D.	N1000.00;	N1125.00

43. In national income accounting, aggregate saving in any year is defined as
A. All disposable income not spent on con sumption
B. All savings deposits in all banks during the year
C. All savings and time deposits in all banks during the year
D. The value of inventory change for the year

44. Which of the following combination is a veritable set of development indicators?
A. Growth of government expenditure and imports
B. Growth of population and national income
C. High fertility, literacy and school enrolment rates
D. Low infant mortality and high per capita income and literacy rate

45. If an economy grows at an annual rate of 5% of which 3% is deemed to be due to improvement in the productivity of labour and capital combined, the remaining 2% is generally attributed to
A. The size of the population
B. Technical progress
C. The environment
D. The amount of natural resources

46. If a country has a balance of payment crisis, which of the following measures can best bring about an improvement in the short run?
A. Large-scale importation on foreign goods
B. Investments in capital market abroad
C. Large-scale export of locally made goods
D. Repayment of debt to her creditors

47. The terms of trade of a country is defined as
A. $\frac{\text{Index of import price}}{\text{Index of export price}} \times 100$

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B. Index of exportation / Index of importable x 100

C. Index of visible imports / Index of visible exports x 100

D. Index of export prices / Index of import price x 100

48. When a foreigner on a visit to Nigeria, pays for hotel accommodation and meals with some foreign cur rency, the amount paid should be recorded in Nigeria's balance of payments as an item of
A. Nigeria's invisible export trade
B. Nigeria's import trade
C Nigeria's visible trade
D. Foreign capital inflow into Nigeria.

49. The Nigerian Trust Fund is managed on behalf of Nigeria by the
A. World Bank
B. International Monetary Fund
C. African Development Bank
D. Economic Commission for Africa

50. One of the gains by member states of the Economic Community of West African States is
A. Monocultural dependency
B. Trade creation
C. Trade inversion
D. Economic independency

Economics 1993

1. It is impossible to satisfy all human wants because
A. Areas of fertile land are very limited
B. Oceans and seas limit land space for farming
C. Resources are not equitably distributed
D. Available resources are limited

Use the diagram below to answer question 2 and 3



2 The above diagram showing th e maximum possible combination of commodities X and Y produced in Nigeria is called the
A. Production indicator
B. Maximum production
C. Production possibility curve
D. Total output curve

3. How many units of goods X is produced for 8 units of commodity Y
A. 80 B. 40 C. 20 D. 0

4. The main function of the price system is to
A. Distribute resources equally among compet ing ends
B. ensure efficient allocation of resources in the economic system
C. allocate goods and services equally
D. minimize cheating.

5. A system in which the means of production is held in trust for the people by government is known as a
A. Socialist economy
B. Capitalist economy
C. Subsistence economy
D. Mixed economy

6. The working population refers to
A. A population where the average age is falling
B. The population within the '0-14'' age bracket
C. The economically active segment of the population
D. The dependent population

7. Which of the following factors is NOT responsible for the rural/urban drift in Nigeria?
A. The infrastructural facilities in cities
B. Declining fertility of rural farm lands
C. Rural electrification programme
D. Higher living standards in urban areas

8. An accurate census is important to a country because it helps
A. In solving unemployment problem
B. To ensure equitable population redistribu tion relative to natural resources
C. In deciding on the creation of more local governments
D. In providing a sound basis for formulating development policy

9. If 502.75 million tonnes of grains are consumed annually by a population of 88.5 million people, the per capita grains consumption will be
A. 6.00 tonnes B. 5.68 tonnes C.0.60 tonnes
D. 0.57 tonnes

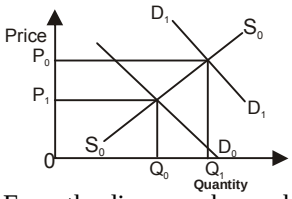
10. In the theory of production and cost, the average total cost of a firm is minimized when the marginal cost curve cuts the average total cost at its.
A. Lowest point B. Middle point
C. Maximum point D. Downward slopping section

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11. A firm faces diminishing returns when its
A. Total output diminishes
B. Average output diminishes
C. Marginal output diminishes
D. Marginal revenue diminishes

12. If labour productivity in the cement industry is as increasing output of cement is expanded, then the amount of labour perfect competition is that in the former
A. Less than zero B. Decreasing
C. Constant D. Increasing

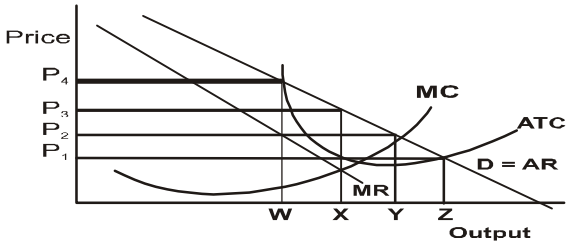
13. If profit maximization is assumed to be the objective of a business enterprise, labour must be paid a wage rate equal to the
A. Marginal revenue of te enterprise
B. Marginal revenue product of labour in the enterprise
C. Average revenue of the enterprise
D. Marginal cost of production

14. 

From the diagram above, shift in the demand curve from D_0D_0 to D_1D_1 implies
A. A rise in the demand for the commodity
B. Fluctuation in the demand for the commodity
C. A fall in the demand for the commodity
D. An equilibrium in the demand for the commodity

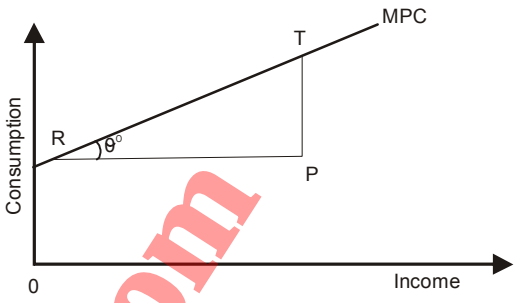
15. If the equilibrium price fo a certain commodity is N120.00 and the government fixes its price at N110.00 the supply will be
A. Greater than the equilibrium supply
B. Smaller than the equilibrium supply
C. The same as the equilibrium supply
D. A determinant of the market forces of equilibrium

16. If the price elasticity of demand for a certain commod ity is less than unity, then
A. An increase in the price of the commodity will raise the total revenue of the producer
B. An increase in price leaves the total revenue unchanged
C. A decrease in price raises the total revenue of the supplier
D. A decrease in price leaves the total revenue constant

17. 

In the diagram above, what is the lowest possible price the monopolist could charge and still break even without there being excess demand?

18. At equilibrium one of the distinctive features of monopoly compared with perfect competition is that in the former
A. Price is always equal to marginal cost
B. Supply is always equal to demand
C. Price is always higher than marginal cost
D. There are always many buyers and many sellers

19 

In the diagram above, the marginal propensity to consume (MPC) is equal to

A. $\frac{RP}{TP}$
B. $\frac{TP}{RP}$
C. $\frac{RT}{RP}$
D. $\frac{RT}{TP}$

Use the table below to answer questions 20 and 21

Output In Units	Total Revenue In #	Average Revemie in #	Marginal Revenue in #
1	20	20	-
2	38	19	18
3	54	-	16
4	68	-	-
5	80	16	-

20. Given an output of 3 units, the average revenue is
A. N16.00 B. N18.00 C. N20.00 D. N24.00

21. Determine the marginal revenue if the total revenue is N80.00
A. N12.00 B. N14.00 C. N16.00 D. N18.00

22. Which of the following functions does the wholesaler perform to save the retailer the burden of carrying large stock?
I. Breaking the bulk
II. Packing the goods in smaller containers
III. Providing vital information
IV. Granting credit facilities

A. I and II B. I and IV C. II and III
D. I, II and IV

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23. Production is said to be completed when
A. Goods and services reach the consumers
B. Prices of goods or services are determined
C. Goods are sold to the wholesaler
D. Goods are packaged

24. A debenture share entitles its holder to
A. Participate in the annual general meeting of the company
B. Share in the dividends declared
C. Received a fixed interest on sums invested
D. Have a representative on the Board of Directors

25. A public liability company is different from private limited company because it
A. Is registered with the Registrar of companies
B. Is a l legal entity
C. Can raise capital of any size by way of loans
D. Can sell shares in the Stock Exchange

26. A modern corporation is owned by
A. Debenture holders
B. Ordinary shareholders
C. Preference shareholders D. Creditors

27. Wheat grows best in
A. Tropical climate B. Temperate climate
C. Equatorial climate D. Hot desert

28. On the basis of the contribution to employment, the most important economic sector in West Africa is
A. Industry B. Agriculture
C. Construction D. Commerce

29. The most popularly adopted industrialization strategy in West Africa is
A. Import substitution B. Export promotion
C. Ports development
D. Infant industries protection

30. One of the most important factors that should be considered in the location of an industry is
A. Nearness to the financial centre
B. Assured patronage by government function aries
C. Availability of inputs and market
D. Availability of adequate security

31. Since the mid-1980s, the most disturbing development in the industrial sector in Nigeria is
A. Labour intensity B. Capital intensity
C. Poor technology
D. Capacity under-utilization

32. The money market is a financial market that special izes in the provision of
A. Short-term loans and advances
B. Medium-term loans
C. Long-term loans
D. Venture capital for development projects

33. Which of the following programme in the monetary sector is aimed at enhancing the banking habit of the rural area?
A. The deregulation of the banking system
B. The increase in the number of merchant banks
C. The community banking scheme
D. The deregulation of interest rate

34. The sum of N80.000 is deposited in a bank and the cash ratio of the banking system is 10%. Calculate the total sum of money the bank can create from the deposit
A. N100.00 B. N800.00 C. N1 000.000
D. N8 000.000

35. Economic development is distinguishable from economic growth because the farmer
A. Is not concerned with growth parameters
B. Affects only the poor people
C. Also includes and efficient distribution of economic growth
D. Is an increase in the production of goods and services

36. Which of the following can be considered as being outside the objectives of public finance?
A. The allocation of resources to various sectors of the economy
B. The objectives of even distribution of income and wealth
C. The achievement of economic stability
D. The deregulation of the economy

37. The joint ventures operating in the Nigeria oil industry are between
A. The NNPC and independent markers
B. The NNPC and multinational marketers
C. The NNPC and producers/marketers
D. Multinational corporations and independent marketers

38. Which of the following are the major disadvantages of direct system of taxation?
I Disincentive to hard work
II. Difficulties in assessment and collection
III. Imperfections in tax assessment

A. I and II B. I and III
C. II and III D. I, II and III

39

No	Items	Amount (Nm)
1.	Wages and Salaries	380
2	Profits a and Rents	110
3	Payments to foreigners on assets held in Nigeria	10
4	Income from foreign assets held by Nigerians resident abroad	20
5	Depreciation	40

Using the table above, calculate the net income

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A. N58 m B. N54 m C. N50 m D. N46 m

40. According to the income approach to national income measurement, the national income of a country is equal to
A. The value of all output produced in the country over the relevant period of time at market prices
B. The value of output at factor cost
C. The value added of production
D. C + I + G

41. The best index for international comparison of standards of living is the
A. Gross national product
B. Net national income
C. Per capita income
D. Gross national income

42. The G. D. P. of Nigeria will be greater than her G.N.P. If
A. The value of goods and services to Nigeria is greater than the value of those from Nigeria
B. Consumption is greater than investment
C. Government expenditure are greater than the foreign aid received
D. The value of goods and services produced by Nigerian businesses abroad is less than that of foreign businesses in Nigeria.

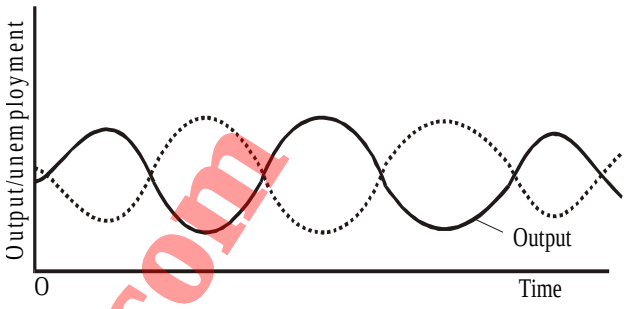
43. Below equilibrium, the gap between aggregate demand and the full employment lev4el of income is called the
A. Inflationary gap B. Income gap
C. Unemployment D. Deflationary gap

44. Which of the following are the advantages of Nigeria's membership of ECOWAS?
I. A greater opportunity for trade according to comparative cost advantage
II. A larger market for industries producing under conditions of decreasing cost
III. Competition for home based monopol firms
A. I and II only B. I and III only
C. II and III only D. I, II and III

45. Comparative advantage implies that a country will specialize in producing the commodity
A. With the highest opportunity cost
B. For which output per worker is lower than in other countries
C. With the lowest opportunity cost
D. For which output per worker is the same with those fo other countries

46. Devaluation is effective when
A. Demand for imports is price inelastic
B. Demand for imports is neutral
C. Production for export is low
D. Demand for exports is price elastic

47.



What type fo unemployment is revealed by the dotted lines on the graph above?
A. Frictional unemployment
B. Cyslical unemployment
C. Circular unemployment
D. Underemployment

48. From which of the following does Nigeria derive trade concessions?
A. I. M. F. B. World Bank
C. A. D. B D. E.E.C.

49. Tariffs on imports are meant to
A. Prevent a country from becoming a dumping ground for foreign goods
B. Discourage exports
C. Encourage exports
D. Increase the level of external dependency

50. The international Bank for Reconstruction and Development is important to developing countries because it
A. Gives loans to member countries for legal proceedings
B. Offers grants and aid for defence
C. Offer loans to member countries for soci-economic activities
D. Offers grants and aid to finance luxury project

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Economics 1994

1. The basic economic problems of the society include
A. What to produce, how and or whom
B. How to produce and sell
C. Scarcity, when to produce and how
D. Scarcity, for whom to produce and where

2. Opportunity cost is an economic cost is an economic concept which describes the
A. Monetary equivalent of the utility of a commodity
B. Amount of time or money invested on a commodity
C. Sacrifice made for the satisfaction of a want

D. Cost of retaining an optimum level of production of commodities

3. If the marginal propensity to consume is 0.80 and the investment expenditure changes from N100 million to N140 million in a given economy, find the level of equilibrium in te given economy, using the formula

$$K = \frac{1}{1\text{-MPC}}$$

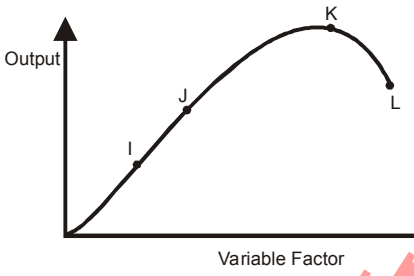
(K = Multiplier; MPC = Marginal Propensity to Consume)

A. N20 million B. N40 million C. N80 million D. N200 million

4. The circular flow of income defines the
   - A. Relationship between ends and means in the economic system
   - B. Allocation of income to various members of the household
   - C. Flow of goods, serves and money among the various `macro-sectors of the economy
   - D. Micro-economic relationship in economic analysis

5. The necessity of choice is due to the fact that
   - A. Human wants are insatiable
   - B. Consumer like to maximize satisfaction
   - C. Resources are abundant
   - D. Consumer are selective

6. The graph above represents a production function. At which of the points does diminishing returns set in?



A. I B. J C. K D. L

7. In a mixed economy, decisions to produce are taken by
   - A. Men and women acting in their own best interest
   - B. The government acting in the interest of the country
   - C. The market women, the labour unions and the employers association
   - D. Private individuals, organization and the government

8. Every economy requires an accurate census because it assists in
   - A. Solving inflation problem
   - B. Proving a sound framework for policy formulation
   - C. Stimulating economic activities in the national economy
   - D. Solving unemployment problem

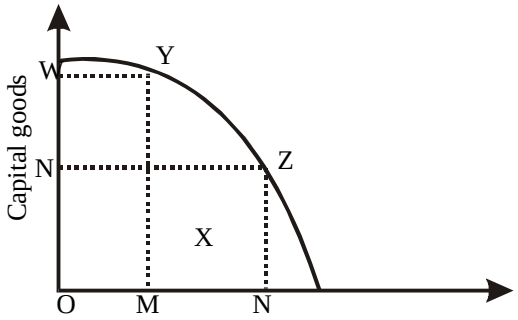
9. The population fo country X in 1990 was 35 million. The births were 450,000 while it recorded 210,00 deaths. If in the same year, its immigrants were 20,000 and 10,000 of its citizens left the country, calculate the total population of the country at the end of 1990.

A. 24,250.00 B. 25,350.00
C. 34,750.00 D. 35,250.00

10. If the actual population in a country is less than the optimum population, then
    - A. It is desirable to have a large population
    - B. It is necessary to have an improved technol ogy to sustain the population
    - C. It is desirable to have smaller population
    - D. The available resources are inadequate to sustain the population

11. Unemployment can be reduced by
    - A. Restricting the productive base of the economy
    - B. Adopting capital - intensive techniques of production
    - C. Adopting a mixture of labour and capital intensive techniques of production
    - D. Adopting a mixture of labour and capital-intensive techniques of production

12.



Production possibility curve of country X

If the economy of the country is operating X, the implication is that
   - A. The productive capacity is being fully utilized
   - B. The productive capacity is not being fully utilized
   - C. Too little of consumer goods is being produced
   - D. There is a disequilibrium between the production of capital and consumer goods

13. When the Total Product (TP) is at maximum point, the Marginal Product (MP) and the Average Product (AP) respectively are

A. Zero and decreasing B. Decreasing and zero
C. Negative and decreasing D. Both at their maximum

14. In the long run, all production factors are

A. Fixed B. Semi-fixed C. Variable D. Semi-variable

15. A company's expenditure on raw materials is regarded as
    - A. Explicit cost B. Implicit cost
    - C. Prime cost D. Average cost

16. The basic relationship between the cost of production and the market

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A. Always reflects the cost of labour
B. Reflects the variable, but not the fixed cost f production
C. Does not rise above variable costs
D. Is determined by the cost of production and the current rate of inflation

17. A firm determines its profits when it studies its
A. Marginal Cost B. Average Cost
C. Total Cost
D. Average Cost relative to price in the market

18. An increase in the supply of labour in a factory while other things remain equal will lead to
A. An increase in the wage rate and an increase in the number of people employed
B. A decrease in the wage rate and a decrease in employment
C. An increase in the wage rate and decrease in employment
D. A decrease in the wage rate and an increase in employment

19. A demand which is positively related to price is true of
A. Normal goods B. Giffen goods
C. Ostentatious goods D. Capital goods

Use the table below to answer 20 and 21

Price in N	Quantity demanded	Quantity
10	50	450
20	150	350
30	250	250
40	350	150
50	450	50

20. What is the equilibrium quantity?
A. 50 B. 250 C. 350 D. 450

21. Above the equilibrium point, a further rise in price tends to
A. Increase demand and restrict supply
B. Restrict demand and restrict supply
C. Increase demand and decrease supply
D. Decrease demand and increase supply

22.

Price (#)	Quantity Sold
5	15
5	16
5	17
5	18

From the table above, marginal revenue is
A. N5
B. N6
C. N8
D. N10

23. Elasticity of demand is an effective tool in the hands of a producer in that it enables him
A. Raise his profits and lowers his cost
B. Discourage buyers from cheating
C. Determine what he will produce
D. Set his price to maximize his profit

24. Cross elasticity of demand can be mathematically expressed as the
A. $\frac{\text{Percentage change in quantity of commodity X}}{\text{Percentage change in quantity of commodity Y}}$
B. $\frac{\text{Percentage change in quantity demanded}}{\text{percentage change in price}}$
C. $\frac{\text{Percentage change in quantity demanded of commodity X}}{\text{Percentage change in price of commodity Y}}$
D. $\frac{\text{Percentage change in quantity demanded}}{\text{Percentage change in income}}$

25. The basic idea behind brand differentiation under an imperfect market arrangement is to
A. Stimulate demand for rival product
B. Create demand for the particular product
C. Enable the product to penetrate the market
D. Enable the product to compete with others

26. In the long run, a firm in a perfectly competitive market will make
A. Normal profit B. Abnormal profit
C. Marginal profit D. No profit

27. Output restriction, fixing of prices, creating obstacles, to free entry into the market are features of
A. Pure monopoly
B. Perfect competition
C. Monopolistic competition
D. Monopsonist competition

28. A major shortcoming of the sole proprietorship form of business is lack of
A. Working capital B. Patronage
C. Continuity D. Market

29. In the event of liquidation of a private limited liability company, t he shareholder's liability is limited to their total.
A. Income from all source
B. Family assets
C. Collateral offered for bank loans
D. Investments in the company

30. The major factor that causes fluctuations in the supply of agricultural produce is
A. High price B. Pests
C. Weather variations D. Rural-urban migration

31. The system of agricultural practice which involves hunting, gathering and growing of food crops for family consumption only is described as
A. Peasant agriculture B.Plantation agriculture
C. Co-operative farming
D. Subsistence farming

32. What is the term used to describe a policy aimed at promoting the local production of goods which are usually imported?
A. Deregulation B. Import substitution
C. Tariff reduction D. Backward integration

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33. Labour-intensive strategy fo industrialization emphasizes the use of
A. Stem B. Manual method of production
C. Synthetic raw materials D.Hydro-electric power

34. Petroleum is the mainstay of the Nigerian economy because it is the
A. Main foreign exchange earner
B. Greatest employer to labour
C. Greater contributors to the growth of agriculture
D. Source of high income for its workers

35. An indigenous company wholly owned by the federal government of Niger which currently engages in prospecting for oil is
A. The Nigerian National Oil Company
B. Peak Petroleum Industries Nigeria Limited
C. Nigeria Exploration and Production Company
D. The Nigeria National Petroleum Corporation

36. An increase both the legal reserve ratio and discount rate has the effect of
A. Increasing the quantity of money in circula tion
B. Decreasing the quantity of money in circulation
C. Increasing the value of money
D. Decreasing the value of money

37. Inflation in the Nigeria economy bay be fueled by increase in
A. The dollar price of crude oil
B. The sale of company share
C. Government expenditure
D. Sale of government bond

38. Gresham's law in economic shows that
A. Good money drives out bad money
B. Bad money drivers out good money
C. The value of money varies inversely with the price level
D. Gold must be available to maintain the value of paper money

39. Monetary policy aimed at reducing demand-pull inflation in the country may be carried out through
A. Increase in taxation of private companies, public corporation and private individuals
B. Increase in cash reserve ratio of commercial banks and the sales of government securities
C. Decrease in government expenditure on education
D. Direct price control in the market place

40. Progressive tax structure is designed to
A. Take more from the income of the poor
B. Take more from the income of the rich
C. Take equal proportion of income from both the rich and the poor
D. Reduce the problems emanating from tax impositon

41. Taxes and government expenditures are instruments of
A. Monetary policy B. Tax policy
C. Economy policy D. Fiscal policy

42. The national income of a country indicates that the gross national income was N17 700 million and gross domestic product was N16 800 million. The difference of N900 million represents
A. Debt repayments B. investments abroad
C. net income from abroad D. capital consumption

43. If national income rises by 6% and population rises by 3%, per capital income will
A. Rise by 6 percent B. Fall by 3 percent
C. Fall by 6 percent D. Rise by 3 percent

44. One of the ways by which the government can speed up economic development is through the
A. Increase in consumption pattern of the people
B. Encouragement of savings, investment and equitable distribution of goods and services
C. Increase in the rate of population growth so as to ensure that the country has a large labour force
D. Encourage of importation of raw materials to produce consumers goods

45. A sustained increase in the production of goods and services in a country is called economic
A. Development B. Growth C. Diversification
D. Planning

46. One of the techniques for rectifying a deficit balance of payment is
A. Import promotion B. Devaluation
C. Physical intervention D. Borrowing from abroad

47. The main objective of the Economic Community of West African State is to
A. Establish a West African Development Bank
B. Create a West African army
C. Introduce a common currency for the sub-region
D. Promote the free movement of persons, goods and services within the sub-region

48. In international trade, shipping and other freight charges are treated as
A. Invisible items B. Unilateral transfers
C. Capital transactions
D. Autonomous capital transactions

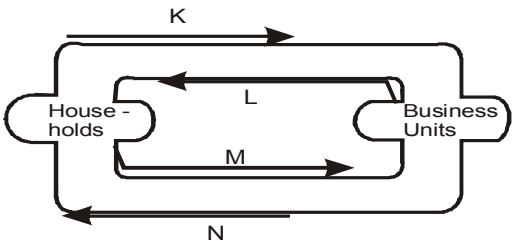
49. A situation in which a commodity is sold abroad below its cost fo production in the home country is known is
A. Dumping B. Counter trade C. Bilateral trade
D. Trade liberalization

50. The borrowing rights of a member country of the international Monetary Fund are determined by
A. The seriousness of the country's economic problems
B. Its balance of payments position
C. Its quota to the Fund
D. The size of its gold reserve

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Economics 1995

1. The ultimate objective of economics is to
   A. make effort to understand how the economy works
   B. make the best use of scarce resources
   C. organize production at the lowest cost
   D. decide under what circumstances in the economy

2. 

In the circular flow of income above, the direction of flow of payments for consumption purchases is shown by the arrow
A. K B. L C. M D. N

3. A student in Obu'pu Secondary School discover that he simultaneously needs a biro, an exercise book, an eraser and a ruler, but that he can purchase only one of these items. What is the first thing he is expected to do?
   A. Check how much money he has
   B. Find out which is the cheapest of the items
   C. Draw up a scale of preference
   D. Weigh the opportunity cost of each item against the others.

4. What to produce in any society is determined by the
   A. expenditure of the people on different commodities
   B. competition among the different producers
   C. competition among the difference consum ers'
   D. supply and demand in the factor markets

5. The active intervention of the central authorities in the management of a country's economy rests upon the
   A. failure of the market forces to produce satisfactory
   B. superiority of the centrally planned economy over/the private enterprise economy
   C. result-oriented nature of the private enterprise economy
   D. cost-minimization strategy of a mixed economy

6. The problems of conducting census include
   A. high rate of rural-urban migration
   B. poor geographical distribution of population
   C. high birth rate in the country
   D. poor town planning in urban areas

7. An ageing population is a population
   A. with a high dependency ratio
   B. with many young people
   C. in which the number of old person is increasing
   D. that is dominated by very old people

8,. The population of Ohaha L.G.A. Was 480 000 in December 1980 out of which 60% were females . If within one years no births were recorded ,but 5% of the males died, what will be the population of the L.G.A. In December 1981?
A. 96000 B. 192 000 C. 288 000 D. 470 400

9. What is meant by labour supply?
   A. Number of people in working population
   B. Number of men and hour they work
   C. Number of hours during which the middle aged persons works
   D. Number of work force multiplied by the hours they work

10. The advantage which firms obtain directly from expanding their operations are referred to as
    A. Internal economies of scale
    B. External economics of scale
    C. Economies of localization
    D. Economies of resource allocation

11. The factor of production that has the highest degree of mobility is
A. land B. labour C. capital D.entrepreneurship

12. Any payment to a factor of production in excess of what is necessary to keep that factor in its present employment is known as
A. real income B. profit
C. economic rent D. real wage

13.

No of workers	Total Output (Units)
1	24
2	46
3	60
4	84
5	95
6	110
7	115

In the table above, the marginal product of the 2nd worker and the average product of the 5th worker respectively are
A. 23 and 20 B. 22 and 19 C. 14 and 19 D.11 and 20

14. Given that TC = TFC + TVC and TR = AR X Q profit is equal to
    A. (AR + Q) - TFC
    B. (TFC + TVC)
       Q

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C. (AR X Q) - TC
D. (TC X Q)
AR

15. The opportunity cost of the use of productive resources which a producer owns and so does not pay for, constitutes
A. a fixed cost B. an implicit cost
C. a variable cost D. a prime cost

16. The effect of changes in the condition of demand on a demand schedule with the price constant is a
A. movement along the demand curve
B. deflation of the demand curve
C. hyperbola formation by the demand curve
D. shift of the demand curve

17. Which of the following statements is TRUE of the effect of changes in demand and supply on price?
A. Adecrease in supply will lead to a fall in price and a fall in the quantity bought an sold
B. An increase in demand will lead to a fall in price and in the quantity bought an soled
C. A decrease in demand will lead to a rise in price and in the quantity bought an sold
D. An increase in supply will lead to a fall in price and a rise in the quantity bought and sold

18. In a free market economy, available resources are more efficiently allocated by complete reliance on
A. development planning B. strategic planning
C. capital budgeting D. price system

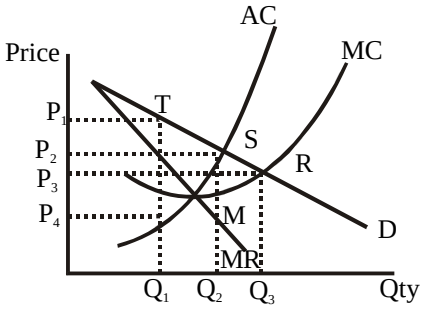
19. In order to maximize his profit, a businessman who faces a very clastic demand for his products is advised to
A. slightly increase the price of his products
B. slightly reduce the price of his products
C. leave his prices unchanged
D. discriminate his prices

20. What is the elasticity of demand for commodity X, if at a price of N25 the quantity demanded is 80 and when the price is reduced to N20 the quantity demanded is 100?
A. 1.25 B. 1.45 C. 0.25 D. 0.15

21. If y represents the income earned by workers in a factory, find the range of their income which satisfies the following inequality 4y-300>500
A. y > 300 B. Y > 250 C. y > 200 D. Y > 150

22. Both in the short run and in the long run, a firm maximizes its profits when
A. MC = MR B. AC = MC C. AVC = AC
D. MC = AVC

23.



A. OQ_1MP_4 B. P_4MTP_1 C. OQ_1TP_1
D. OQ_2SP_2

24. Stocking small quantities of a variety of goods is a function of the
A. manufacturer B. wholesaler
C. retailer D. consumer

25. In a joint stock company, preference shareholder are those who receive
A. high dividends when profits are high and little or nothing when profits are low
B. a fixed rate of dividend and ha ve the first claim on the net profits of the company
C. the remaining profits after all other share holders have been paid
D. dividends quarterly when others receive annually

26. The major reason for the survival of small shops despite competition from large business enterprises is because of
A. the small capital outlay involved
B. regularity and constant supply of commodi ties
C. their local services and longer hours of operation
D. they take prompt decisions and actions

27. One of the major advantages of public enterprises it that
A. they are highly subsidized
B. they are the largest employers of labour
C. their operations are highly standardized
D. they take prompt decisions and actions

28. When public enterprises become commercialized it means that
A. the product of the enterprises are further subsidized
B. they are expected to operate with the primary aim of making profits
C. the government has decided to divest itself of such enterprises
D. th e staff of the enterprises will be laid off

29. Which of th e following statements are TRUE of agriculture in Nigeria?
I it provides food for the growing population
II a large proportion of the popula tion is engaged in
III agricultural products are used as

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raw materials by the local industries
IV it serves as a sources of heavy equipment to local industries

A. I and II only B. I, II and III only
C. I, III and IV only D. II and III only

30. In recent times, agriculture in Nigeria tends to lose its vital labour force as a result of
A. lack of an effective agricultural policy
B. employment opportunities in the oil sector
C. rural-urban drift
D. low prices of agricultural product

31. The government can influence the price of agriculture products by
A. fixing minimum prices when agricultural output is low
B. fixing maximum prices in years of bumper harvests
C. the use of buffer stocks an stabilization funds
D. paying all farmers producing identical crops a uniform amount of money

32. The crucial factors which determine the location of petroleum refineries in Nigeria are availability of raw materials and
A. capital B. political consideration
C. nearness to source of power D. labour

33. Infant industries denote industries which
A. are introducing new products
B. are too young to compete in the world market
C. produce baby food and mothercare products
D. are allowed time enough to mature for recognition

34. When compare with a labour-intensive industry, a capital-intensive industry employers more
A. workers than capital
B. workers than machinery
C. raw material than capital
D. machinery than workers

35. The major source of Nigeria's foreign exchange is the export of
A. skilled manpower B. palm-kernel and cocoa
C. crude oil D. groundnuts and cotton

36. The most important goal of OPEC is to
A. present a united front for the purpose of raising prices of crude oil
B. bring unity among the petroleum exporting states
C. ensure political stability among member states
D. ensure that rules on quota production are strictly followed

37. The Central Bank's expansionary monetary policy is justified at a period
A. when the inflation rate is high and the economy is experience a boom
B. of economic depression accompanied by low capacity utilization
C. when trade unions are clamouring for higher wages
D. when the price of crude petroleum is rising

38. The sharp increases in the prices of most goods and services during the last quarter of 1994in Nigeria were mainly due to
A. ban on importation of foreign good
B. population upsurge
C. the introduction value-added tax
D. increase in transport costs

39. The best method to curb inflation in Nigeria is to
A. reduce important of commodities
B. increase the general level of production
C. reduce the volume of money supply
D. set up price control boards

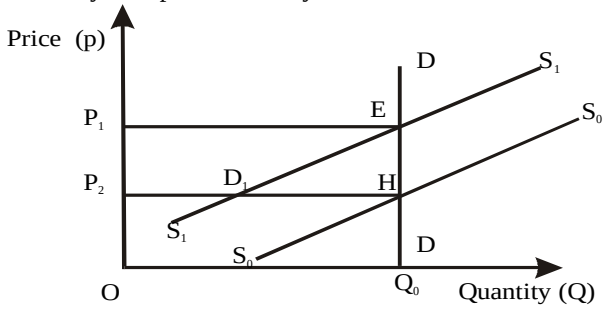
40. A bank is said to be distressed when it
A. is unable to deal with the Central Bank
B. has a low capital base
C. has low level of deposits
D. experiences serious liquidity crisis

41. One method through which the Central Bank can restrict the commercial banks' power of credit expansion is to
A. demand for increase special deposits
B. decrease the cash ratio
C. buy securities in the open market
D. reduce the rate of interests at which banks borrow from it

42. Which of the following is cheapest for the govern ment in improving the welfare of its citizens?
A. subsidy B. income supplement
C. donation to specific projects
D. wage increase

43. Which of the following is mostly used to determine the cost of living?
A. marginal changes in prices
B. consumer price index
C. prices of imported and exported commodities
D. producer price index

Use the diagram below to answer questions 44 and 45. The diagram explains the effect of government's imposition of an indirect tax on a good characterized by zero price elasticity of demand



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44. The total tax revenue is represented by
A. P_1EHP_0 B. P_0HQPO
C. P_1EQ_0O D. $P_1ED_1P_0$

45. The tax imposed is borne
A. totally by the consumer
B. totally by the producer
C. equally by both the consumer and the producer
D. by the government

46. Ajanka, a medical student entitled to an annual allowance of N6 000, decides to leave the university to take up a job where he earns N7 000 per annum. By this singular act, the national income level will.

A. increase by N1 000 B. decrease by N7 000
C. increase by N7 000 D. increase by N13 000

47. An increasing population might be of economic benefit to a country if
A. the female population is greater than the male population
B. the dependency ratio is increasing as the a continuously total population
C. a continuously higher proportion falls into the working class category
D. the rural and urban proportions are bal anced

48. The demands made on each other by the agricultural and industrial sectors as the economy grows are reflected in
A. backward and forward linkages
B. horizontal and vertical linkages
C. vertical linkages
D. functional linkages

49. Foreign exchange rate in a free market economy is determined by
A. The government B. The Central Bank
C. Demand and supply D. Commercial banks

50. The primary objective of all international economic organizations is to
A. ensure that third world countries get a better share of the worlds' resources
B. promote international economic co-operation for the mutual benefit of all members
C. enforce structural adjustment programmes on less developed countries
D. encourage exports from the developed to the less developed countries

Economics 1997

1. With a given level of money income, a consumer maximizes satisfaction from the consumption of goods and services when he
A. total utility derived from each good or service is increasing at an increasing rate
B. marginal utility derived from each good or service is increasing at the same rate
C. marginal utility derived per naira spent is the same for all the goods and services
D. total utility derived from all the goods and services is large.

2. Ike's scale of preference reveals that he prefers bananas to pawpaw, pawpaw to oranges and oranges to bananas. Ike's preferences are therefore
A. inconsistent B. consistent
C. transitive D. rational

3. One of the features of a free market economy is that
A. resources are directed by the price mechanism
B. workers do not earn equal wages
C. the profit motive is severely constrained
D. decision on the economy are taken by bureaucratic structures

4. One of the fundamental differences between a capitalist and a socialist economy is that while
A. the former is characterized by complete government ownership of resources, the latter is characterized by complete private ownership.
B. in the former, prices act as signals in the allocation of resources, it is the central authority that performs this function in the latter
C. taxes are levied in a capitalist economy there is not taxation in a socialist economy
D. income and wealth are equally distributed in the socialist economy, this is not so in a capitalist economy

5. Given that at the beginning of 1973, Nigeria with a population of 75 million had a birth rate of 3% per annum. This implies that in that year.
A. the population increased by 2.25 million
B. there were 2.25 million live births
C. the government had to make provisions for 2.25 million children
D. 2.25 million children were born.

6. When a country's population is experiencing increas ing returns, that country is said to be
A. overpopulated B. economically poor
C. over producing goods and services
D. underpopulated

7. In a country, if the proportion of people who are below 15 years is 45% and those above 60 years is

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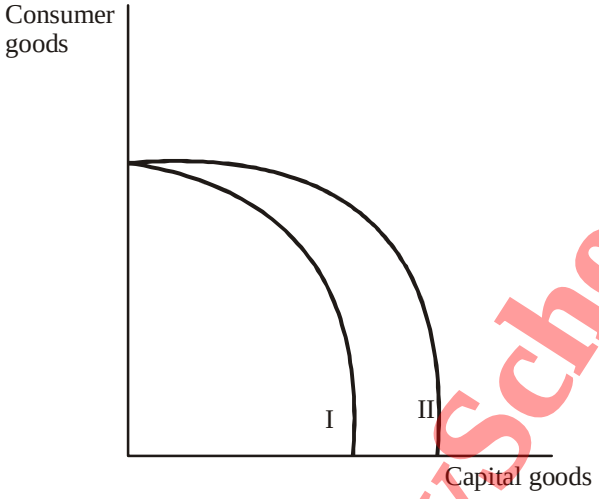
30%,this implies that the
A. Dependency ratio is high
B. Population is optimum
C. Active population is large
D. Population is growing according to Malthus theory

8. One of the objectives of Nigeria's current population policy is to
A. reduce the birth rate
B. reduce the emigration rate
C. increase the birth rate
D. enhance longevity

9. Labour productivity is the ratio of
A. Labour to output B.Man-hours to output
C. Output to man-hours
D. Average products to man-hours

10. The type of cost which has to be covered for a firm to continue production in the short-run is the
A. Overhead cost B. Fixed cost
C. Marginal cost D. Average variable cost

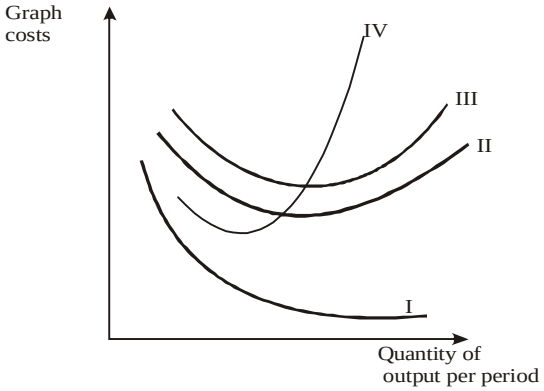
Use the diagram below to answer question 11 and 12



The current stage of the economy is depicted in curve I

11. Point P suggests that the economy is
A. reaching full employment but not full production
B. attaining full production but not full employment
C. under capitalized
D. attaining both full employment and full production

12. The movement of curve I to II suggest
A. an improvement capital goods technology but not in consumer goods technology
B. a movement from unemployment to full employment
C. that the output for the society has declined
D. a gain in consumer goods technique and not in capital goods technique

13. 

In the diagram above, the curve which represents the firm's short-run average variable cost is curve

A. I B. II C III D. IV

14. A good is said to be inferior if its demand
A. rises as income rises
B. falls as income rises
C. rises as its price falls
D. is perfectly inelastic

15. Given a market demand curve Q = 120 - 2p and a supply curve Q = 4 p, the equilibrium price and quantity respectively are
A. 20 and 80 B. 30 and 120 C. 40 and 60
D. 60 and 240

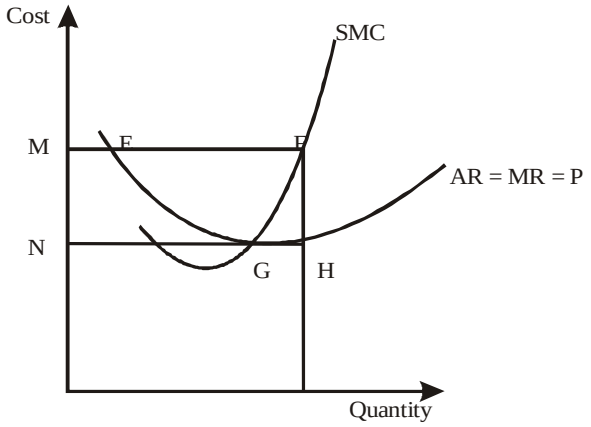
16. If a demand curve that intersects a perfectly inelastic supply curve shifts rightward, then
A. the equilibrium price and quantity will increase
B. only the price will increase
C. only the quantity will increase
D. the price will remain constant

17. The elasticity of demand for a firm's product 2. If the firm reduces its prices its price by 20 per cent, its sales revenue will increase by
A. 10 per cent B. 20 per cent
C. 30 per cent D. 40 per cent

18. If the percentage change in the income of the consumers of an industrial product is less than the resulting percentage change in the quantity de manded of the product, then the income elasticity of demand for the product is
A. lees than one B. equal to one
C. greater than one D. equal to zero

19. A market where there are many differentiated products is called
A. monopoly B. perfect competition
C. monopolistic competition D. oligopoly

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20. From the diagram above, the quantity of output is determined by the point
A. M B. N C. H D. F

21. The best channel of distribution of baked bread is through
A. wholesalers to retailers then to consumers
B. direct sales to consumers
C. wholesalers to consumers
D. retailers to consumers

22. A form of business organization which is characterized by limited authority and liability of the individual owners is the
A. sole proprietorship B. partnership
C. joint stock company
D. co-operative society

23. The shares that must be redeemed first at liquidation of a company are
A. preference shares
B. non-voting ordinary shares
C. ordinary shares
D. debentures

24. The suggestion that peasants in Africa have backward-bending supply curves of output implies that their response to an increase in the price of their crops will be to
A. increase their output
B. decrease their output
C. keep their output constant
D. hoard their output

25. The most important requirement for increasing agricultural output in Nigeria is
A. for a government to go into large scale farming
B. to employ relevant foreign technology and reform the land tenure system
C. to increase farmer's incomes and improve the farming techniques
D. to employ more extension workers

26. What is the effect of inelastic demand for agricultural products on the income of a farmer?
A. a price rise results in its fall
B. a price fall results in its fall
C. a price fall results in its rise
D. a price rise leaves the income unchanged

27. Plywood industries are often located near the source of
A. finance B. labour
C. power D. raw materials

28. A firm is said to have benefited from external economics in production if it has realized
A. a more efficient management of resources
B. a better combination of factors of production
C. reduced resource costs due to operations of other firms
D. a higher profits level due to increase sales

29. One of the dangers of the localization of industries
A. residual unemployment
B. mass unemployment
C. structural unemployment
D. cyclical unemployment

30. A glut in the world market for crude oil means
A. a fall in crude oil production
B. an excess supply of crude petroleum
C. a higher crude oil price offered by the buyer
D. a higher crude oil price demanded by the seller

31. The main problem of the Organization of Petroleum Exporting Countries is how to
A. prevent members from violating their quota
B. enhance the quality of petroleum products
C. compete with he North Sea Producers
D. ensure viable crude reserves

32. The most important attribute of money is
A. homogeneity B. relative scarcity
C. divisibility D. general acceptability

33. Which of the following is inflationary?
A. an increase in taxation
B. an increase in savings
C. a decrease in money supply
D. an increase in government expenditure

34. In commercial banking, an account from which the customer cannot withdraw money instantly is
A. demand deposit account
B. tme deposit account
C. special deposit account
D. savings deposit account

35. Banks can create more money by
A. increasing its cash ratio with the Central Bank
B. issuing more bank cheques
C. accepting more deposits from customers
D. lending out money from customers' deposits

36. Stocks and shares as well as bonds are examples of

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instruments used in the

A. commodity markets B. money markets
C. capital markets D. security markets

37. The use of legally permissible means to reduce tax liabilities is known as tax

A. evasion B. avoidance
C. relief D. exemption

38. The greatest proportion of government revenue in Nigeria comes from

A. export of raw materials
B. income taxes on individuals and businesses
C. customs duties and excise taxes
D. loans and grants from industrially advanced countries

39. One of the factors which is likely to check the growth of public debts is

A. bridging the resources gap
B. debt repudiation
C. debt rescheduling
C. debt-equity swap

40. If the marginal propensity to consume is 0.75 and private investment increases by N10 billion while government expenditure decrease by N15 billion, GDP will decrease by

A. N12 billion B. N15 billion C.N 20 billion
D. N 25 billion

41. Given: Investment = N100 million
Consumption = N200m + 0.75 Y
Y = C + I

Where, Y = Income, C = Consumption and I = Investment

What is the income level to the nearest million?

A. N100 million C. N 1 000 million
B. N300 million D. N1 200 million

42. The total money values of all goods and services produced in a country during a certain period is measured by using the

A. Income method C. Output method
B. Expenditure method D. Factor method

43. Privatization of government-owned companies means the

A. relinquishing of government's equity participation to private individuals
B. recapitalization of distressed government - owned companies
C. joint participation of government and private individuals
D. commercialization and deregulation of the economy

44. The major determinant of the total volume of output in an economy is the

A. level of wholesale prices
B. dize of the labour force
C. level of total expenditure
D. composition of consumer spending

45. The most important factor in ensuring economic development is the

A. effective mobilization of domestic savings
B. presence of foreign capital
C. formulation of appropriate government policies
D. attraction of foreign aids and grants

46. Which of the following classes of goods accounts for the largest proportion of Nigeria's imports?

A. food and animal products
B. consumer goods
C. chemicals
D. machinery and transport equipment

47. Counter trading is an international arrangement whereby

A. goods and services are exchanged in a manner similar to barter
B. goods and services are sold on the counter
C. crude oil is sold to a foreign country
D. goods are shipped to countries on which the United Nations has placed a trade embargo

48. In recent years, Nigeria's balance of payments has continued to register a deficit due to

I. Increased government overseas' spending
II. Increasing prices of exports
III. Rising import prices
IV. More payments to overseas' investors

A. I, II and III B. I, II and IV
C. I, III and IV D. II, III and IV

49. The organization which provide credits to help countries achieve short-term balance in their balance of payments is the

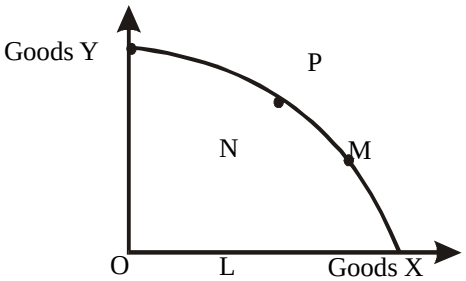
A. economic Community fo West African State
B. international Monetary Fund
C. international Bank for Reconstruction and development
D. african Development Bank

50. An important feature of a cartel is that

A. members do no reduce price below the cartel price
B. each member has a fixed output above which it is not expected to produce
C. a powerful member fixes the price at which others will sell
D. members fix the prices for their products

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Economics 1998

1. 

A. L B. M C. N D. P

In the diagram above, full employments is indicated by

2.

Units of consumption of commodity X	marginal utility (units)	
1	100	
2	80	
3	50	
4	20	

From the table above, the total utility for the indi vidual who consumea 3 units fo commodity X is

A. 50 units C. 230units
B. 150 units D. 250 units

3. One of economic problems of Nigeria today arises from
   A. The overutilization of human an natural resources
   B. Inavailability of mineral resources
   C. Inadequate manpower resources
   D. The underutilization of human and natural resources

4. In certain circumstances, a centrally planned economy adopts the rationing system because of
   A. The scarcity of goos and services in the market
   B. Low real and money wages
   C. The need for equitable distribution of goods and service
   D. Transportation and distribution problems

5. Given that
   B = Births X = Emigrants
   D = Deaths M = Immigrants
   The population of a country over a period of time will rise if
   A. A = D and X > m B. B-D =O and M >X
   C. D -B =O and m = x D. X > M and D > B

Use the table below to answer question 6 and 7

.Population Statistics of a Country

Age range in years	% of population	
	1960	1990
60 and above	35	38
18 - 59	40	42
1 - 17	25	20

6. The dependency ratio between 1960 and 1990 is
   A. Increased by 5% B. Increased by 2%
   C. Decreased by 2% D. Decreased by 5%

7. In 1990, the difference between the dependent population and the active population ration is
   A. 22% B. 20% C. 16% D. 4%

8. The short-run period in produce is defined as a period when
   A. there is at least one fixed factor
   B. all costs of production must be covered
   C. the output cannot be varied
   D. current output is not profitable

9. Specialization often improves economic performance because it
   A. Permits exploitation of economies of scale
   B. Incorporates external economies
   C. Is based on the law of variable proportions
   D. Allocate resources according to absolute advantage

10. Which of the following statements best describes the relationship between average product and marginal product?
    A. Marginal product and average product curves rise and fall together
    B. Marginal product equals average product at the minimum point of the latter
    C. Average product curve will rise as long as marginal product is greater than average product
    D. Marginal product equals average product at the maximum point of the former

11.

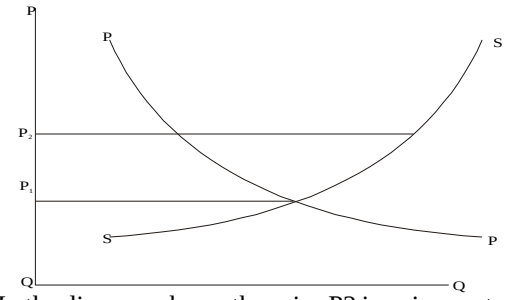
Total output (Units)	Fixed cost (#)	Variable cost (#)
100	100	100
120	100	110
160	100	120
200	100	140
240	100	160

The average total cost when output is 200 units in the table above is

A. N1.00 B. N1.20 C. N1.40 D. N2.40

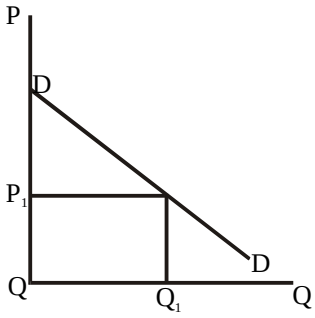
12. When a firm is reaping economies of large-scale production, it experiences a fall in its
    A. Long-run marginal cost
    B. Long-run average cost
    C. Long-run total cost
    D. Short-run marginal cost

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13. 

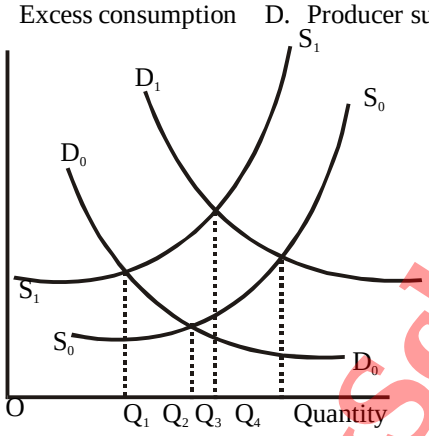
In the diagram above, the price P2 in price control situation, is referred to as

A. Minimum price B. Mark -up price
C. Maximum price D. Mark-down price

14. 

The shaded triangle in the diagram above is known as

A. Excess supply B. Consumer surplus
C. Excess consumption D. Producer surplus

15. 

In the diagram above, D0D0 is the original demand curve, S0S0 is the original supply curve, D1D1 is the new demand curve S1S1 is the is the new supply curve. What is the new equilibrium quantity?

A. Q1 B. Q2 C. Q3 D. Q4

16. If an increase in the price of a commodity leads to increase in total revenue, then it means that the demand for this commodity is

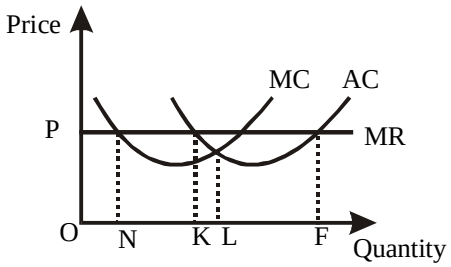
A. Normal B. Elastic C. Inelastic D. Abnormal

17. Given that the elasticity of demand for a commodity is 2.5, the percentage change in the quantity demanded as a result of a 10 percent change in its prices is

A. 0.25 B. 0.40. C. 4.00 D. 25.00

18. The producer in a perfectly competitive market is face with a demand curve whose elasticity is

A. Unitary B. Greater than one C. Infinite
D. Less than one

19. 

In the diagram above, profit is maximized at the output level

A. ON C. OL
B. OK D. OF

20. Unlike the retailer, the wholesale provides

A. Useful information to the manufacturer about consumers' taste
B. After sales service to the consumer
C. Useful information to the customers on the benefits and uses of the product
D. Useful information about market trends and Finance to the manufacturer

21. Liquidation of a limited liability company implies that the

A. Company may not pay its debt
B. Debts of the company can only be paid from its own assets
C. Debts of the company are paid from both business and private funds of the owners
D. Debts of the company must be paid from public funds only

22. One form of business organization which is not motivated solely by the profit objective is the

A. Joint stock company
B. Private limited company
C co-operative society
D. Ordinary partnership

23. Which of the following can have their shares quoted on the stock exchange?

A. Public corporations
B. A partnership
C. A consumer co-operative
D. A public limited liability company

24. The sector that employs the largest proportion of the active labour force in Nigeria

A. Oil sector B. Federal civil service
C. Financial sector D. Agricultural sector

25. An entirely domestic effort directed at improving agricultural production in Nigeria is the

A. Agricultural Development Programme
B. Agro-industrial Development Scheme
C. Food and Agricultural Organization
D. National Land Development Authority

26. A factor that influences the location of a firm near its market is the

A. Transportation of bulky raw materials
B. External economies
C. High cost of transporting finished goods
D. Availability of skilled manpower

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27. In many developing countries, infrastructural problem is acute due tot he shortage of
A. Industries and industrial equipment
B. Savings, investment and consumption
C. Natural resources for development
D. Supporting services that encourage eco nomic activities

28. Export-promotion policy is primarily concerned with the
A. Processing of raw materials to increase their value
B. Making of international routes safe for export commodities
C. Reduction in the number of imported items
D. Encouragement of the production of export commodities

29. The petroleum industry in Nigeria is
A. The sole source of the nation's revenue
B. The oldest industry in the country
C. The mainstay of the economy
D. A factor in the decline in the nation's foreign reserves

30. Crude petroleum is a good example of a
A. Lasting asset B. Wasting asset
C. Synthetic product D. Costless resource

31. One of the techniques of monetary control used by the Central Bank of Nigeria is
A. Selective credit control
B. Budget deficit
C. Foreign exchange control
C. Monitoring the general rice level

32. Which of the following is true about the value of money?
A. It varies inversely with the price level
B. It varies directly with the price level
C. It depreciates in the period of deflation
D. It is not affected by the price level

33. If the reserve requirement for commercial banking in Nigeria were 30%, a commercial bank which receives an initial cash deposit of N3 000 is in a position to lend out
A. N9 000 B. N3 330 C. N2 770 D. N2 100

34. An issue of bank-notes not backed by gold but by government securities is known as
A. Fiduciary issue B. Guaranteed money
C. Seigniorage D. Legal tender

35. A rise in the market price of fixed interest securities is an indication that the
A. Supply of money has decreased
B. Liquidity preference has increased
C. Market rate of interest has risen
D. Market rate of interest has fallen

36. An increase in government expenditure will lead to
A. Investment opportunities for foreign investors
B. An increase in the level of aggregate demand
C. An increase in total tax revenue
D. Reduction in total tax revenue

37. When an indirect tax is levied on the producer of a good, the burden on the consumer will depend largely on the
A. Elasticity of demand for the good
B. Proportion of the consumer's income spent on the goods
C. Elasticity of demand and supply of the commodity
D. Availability of substitutes for the commodity

38. If a government wants to reduce the level of inflation, it will
A. Run a budget surplus
B. Run a budget deficit
C. Run a balance budget
D. Borrow more money

39. In a country's national income increased from N1000 billion to N1100 billion over a period of 2 years, what was the average annual rate of growth of national income over the period?
A. 5% B. 15% C. 20% D. 100%

40. A fall in the marginal propensity to save will lead to
A. A decrease in national income
B. An increase in national income
C. No change in national income
D. An increase in disposable income

41. Which of the following is a transfer payment?
A. Dividend to a shareholder
B. Gift to a motherless Babies's Home
C. Salary to a worker
D. Rent to a landlord

42. The major objective of economic growth is to
A. Redistribute income and other benefits of growth
B. Equalize opportunities for education and employment
C. Increase the aggregate expenditure on goods and services
D. Increase the real per capita income

43. The Family Support Programme in Nigeria essentially focuses on
A. The generation of employment
B. The alleviation of poverty
C. Agricultural and industrial development
D. Economic emancipation of women

44. Economically, underdeveloped countries are charac terized by
A. High rate of population growth and low rate of economic growth
B. High rate of economic growth and low rate of population growth
C. High rate of population growth and high rate of economic growth
D. Low rate of population growth and low rate of economic growth

45. One of the major consequences of urban-biased development programmes in Nigeria is that they

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A. Led to rapid rural-urban migration
B. Led to unprecedented urban wealth
C. Transformed rural areas into urban centre
D. Increased the level of specialized manpower in the cities

46. Development plans have not been successful in some developing countries largely because of
A. Very large working population
B. Increasing level of consumption
C. Scarcity of industrial raw materials
D. Shortage of skilled labour and experts

47. The balance of visible trade is the difference between the value of
A. Imported and exported goods
B. Imported and exported services
C. Current account and capital account
D. Exchange rate of local and foreign currencies

48. If a country has a balance of payments surplus on current accounts, this means that
A. The total invisible export is greater than invisible import
B. The value of goods exported must be greater than the value of goods imported
C. There must be a positive balance on capital account
D. The aggregate of the balance of trade and the invisible balance must be positive

49. If a country operates a freely floating exchange rate system, and suffers a balance of payments deficit, the deficit can be eliminated through
A. A rise in the external value of its currency
B. A fall in the external value of its currency
C. An increase in the volume of imports
D. The consumption of more foreign goods

50. The Economic Commission for Africa was set up by the
A. UNO B. ECOWAS C. OAU
D. IMF

Economics 1999

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1. In a firm three employees earn N5,500 each, four earn N3,300 each, two earn N5,000 each and one earns N7,000. The mean income of the employees is
A. N5,200 B. N4,760
C. N4,670 D. N2,080

2. Abubakar has the choice of buying either a house or a Mercedes Benz car for N1.5m plus NO.5m running cost. If he decides to buy the Mercedes Benz car, his opportunity cost is A. N1.5m B. N2.0m C. the house D. the car

3. The shape of a production possibility frontier is determined by the
A. increasing relative costs
B. returns to scale
C. diminishing returns to a fixed factor
D. increasing returns to a variable factor.

4. Normative economics deals with
A. what is and not what should be
B. facts and not figures
C. facts and figures
D. value judgements

5. The determinants of elasticity include
A. price time and availability of alternatives.
B. technology and cost of production
C. time and availability of alternatives
D. price, time and technological changes..

6.

	Period 1	Period 2
Family income	N1,OOO,	N1,500
Expenditure on clothing	N100,	N 200

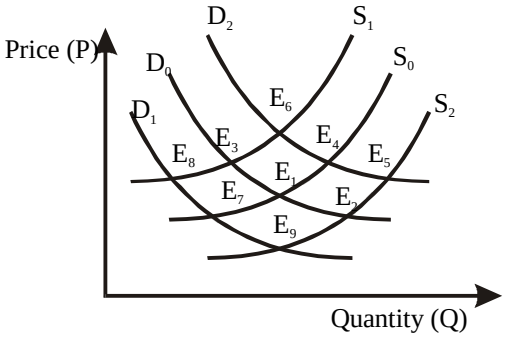
In the table above, the income elasticity of clothing is
A. 0.5 B. 2.0 C. 2.5 D. 5.0

7. A capitalist economy is one characterized by the
A. private ownership of factors of production
B. ownership of factors of production by rich Members of the society
C. use of capital and labour in fixed proportions during production
D. use of capital intensive methods of production

8. In a planned economy, what shall be produced is determined primarily by
A. what the consumer wants
B. government decisions
C. price mechanism
D. the pattern of consumer spending.

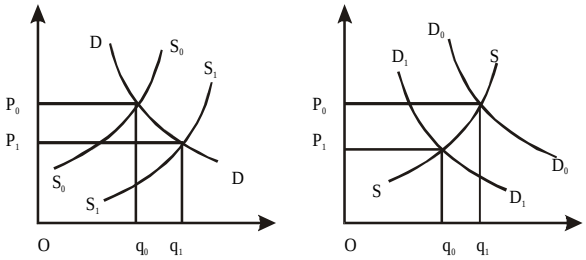
Use the diagram below to answer questions 9 and 10

D_o and S_O are initial demand and supply curves with equilibrium at E_1. Other supply and demand curves with equilibrium points are indicated.



9. Points E_6 and Es are respectively equilibra points for
A. D_O and S_0; Do and S_2 B.D_1 and S_2; D_2 and S_0
C. D_2 and S_1;D_2 and S_2 D. D_2 and S_0; D_0 and S_2

10. Identify the three important factors that can make 80 to become either S_1 or S_2.
A. Technology, weather and population
B. Technology, price and tastes
C. Weather, price and technology
D. Population, weather and tastes

11. 

The graphs above illustrate
A. joint demand B. derived demand
C. composite demand
D. competitive demand.

In the diagram above, the consum.er equilibrium at point
A. G B. H C. J D. K.

13. A utility maximizing household will allocate its expenditure so that
A. more naira is spent on commodities with the highest utility
B. less naira is spent on commodities with the loweSt utility
C. the utility of the last naira spent on each commodity is equal
D. the amount spent on each commodity is equal.

14. The downward sloping part of the long-run average cost curve of a firm may be attributable to
A. diminishing returns
B. the law of variable proportions
C. diseconomies of scale
D. increasing returns to scale.

15. The main function of price in the economic system if is to
A. allocate scarce resources among competing uses
B. ensure equitable distribution of income and wealth
C. determine the demand for and the supply of goods and services
D. remove all the constraints on production of goods and services.

16.

S/No.	Sector	No. of People
I	Agnculture, foreslry and fishing	10, 050
ll.	Mining and quarrying	1, 500
III.	Transport and communication	2, 000 000
IV.	Manufacturing	1, 750, 000
V.	Basic construction	750,000
VI.	Distributive	3,000,000
Vll.	Administration	1,250,000

Calculate the total number of people engaged in, tertiary production from the data above.
A. 5 000 000 B. 6250000
C. 11 750 000 D. 12250000

17. One of the characteristics of an imperfect market is the
A. large number of buyers and sellers in the market
B. awareness of market conditions by buyers
C. availability of substitutes
D. heterogeneity of products.

18. A characlerislic of the average fixed cost is that, it
A. rises and falls faster than the marginal cost
B. is V-shaped and intersects the price axis
C. is always higher than the average variable cost
D. falls continuously but is never equal to zero

19. In perfect competition, every firm is a price
A. maker B. taker C. giver D. bidder.

20. Given that the total fixed cost is HI 000, lotal variable cost N2 500 and the output, 100 unit Find the average lotal cost of producing one unit.
A. N60 B. N45
C. N35 D. N30

21. Which of the following falis continuously as output expands?
A.. A verage fixed cost. it B. Marginal cost.
C. Average variable cost D. Averagc cost

22. A major obstacle to rapid agricultural development in Nigeria is the
A. ineffective use of crude implements
B. inabilily or farmers to adopt modem technology
C. introduction of the Green Revolulion prograrnme
D. declining population growth rate.

23. The land tenure system in Nigeria impedes agricultural Production because .
A. land fragmentation makes possible easy access to land ownership
B. in discourages specialization of factors of production

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C. it limits opportunity for mass production of agricultural goods
D. small landholders generally do not get enough fertilizers to use.

24. The major problems of cooperative Societies in Nigeria is that.
A .they oftenlack cohension and continuity
B. their liability is unlimited to members
C. voting is by proxy
D. their management style is poor.

25. The primary objective of establishing the Export Processing Zone is to
A. facilitate agricultural production
B. encourage the production and processing of export commodities
C. erect structures that will facilitate the processing of imported raw materials
D. erect economic structures near the port

26. The first petroleum exploring company to discover crude petroleum in Nigeria was
A. Mobil B. Texaco
C. Agip D. Shell-BP.

27. Concentrating industries in one place is advantageous because there are gains in terms of
A. external economies B. internal economies
C. economies of scale D. cost economies.

28. Import substitution industrialization refers to
A. the concentration of industries for even development
B. selling up of industries for regional development
C. a situation in which local industries are set up to produce goods formerly imported
D. the bann ing of imports which are substitutes for domestically produced goods.

29. An entrepreneur will continue to employ labour up to a point where
A. costs are minimized B. maximum efficiency is attained
C. wages are equal to marginal product of labour
D. marginal product of labour is equal to zero.

30. Optimum population is defined as the level of population at which
A. per capita output is maximized
B. population is neither increasing nor decreasing
C. total national income is maximized
D. marginal efficiency of population is maximized"

31. When a worker earns more than the wage just sufficient to keep him in his job the excess income is called
A. an opportunity cost B. an economic rent
C. transfer eamings D. surplus value

32.

No	Items	Amount (Nm)
1.	Wages	9000
2.	Salaries	7000
3	Government pensions	1500
4	Unemployment pay and other social bene fits	1000
5.	Rent and interest	1500
6.	Profits	1500

From the table above calculate the national income.
A. N18,500 m B. N19,OOO m
C. N19,500 m D. N20,500m

33. National income at factor cost means national income at
A. current prices B. nomi nal prices
C. last year price D. pricesbase year

34. The value of the multiplier depends on
A. MPC and level of income
B. level of pesonal income
C. level of personal savings
D. government policy and MPC

35. One of the major problems of product distribution in most developing countries is
A. lack of storage facilities
B. large number of middlemen
C. inadequate manpower
D. inadequate means of transportation

36. Non-bank financial intermediaries do not
A. provide credit facilities B. accept deposits
C. accept demand deposits D. sell shares.

37. Inflation which is caused mainly by increases in the prices of factors of production is described as
A. cost-push inflation B. demand-pull inflation
C. crawling infla tion D. spiral inflation.

38. The relationship between the value of money and the price level is
A. direct B. unpredictable C. diverse D. inverse.

39. People hold money for
A. charity B. safe keeping
C. profit making D. speculative purposes.

40. Bills of exchange originate from a
A. central bank B. commercial bank
C. commu nity bank D. development ba.nk

41. If high unemployment goes hand in hand with rising prices the situation created is

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A . hyper inflation B. stagflation
C. moderate Inflation D. galloping Inflation.

42. One of the functions of money is that it helps.
A. detect frauds in matters of exchange
B. postpone payments without loss of count
C. store information about the intrinsic benefits of an item
D. record information about the valuation of an item.

43. Fiscal policy involves changes in
A. open market operations
B. revenue and expenditure of government
C. money supply to the economy
D. imports and exports.

44. Economic development may be defined as economic growth
A. in a given country B. over a long period
C. and improved health facilities
D. and improved distribution of wealth.

45. The price of a good will not be affected by the imposition of a sales tax on it if the
A. supply is inelastic B. demand is inelastic
C. supply is perfectly elastic
D. demand is perfectly elastic.

46. A free trade area emerges when
A. traders from one part of the country can move freely to other-parts
B. customs regulations are harmonized among countries
C. a group of countries decide to remove restrictions on im ports from one another D. the UNCTAD is in force.

47: Devaluation helps in checking adverse balance of payments if the
A. demand for imports is e1astic
B. demand for imports is inelastic
C. supply of expor;ts is elastic
D. demand for exports is inelastic. ,

48. Gains from trade depends on
A. comparative advantage
B. absolute advantage
C. distributive cost advantage
D. absolute cost advantage.

49. Favourable terms of trade is importaflt to a country because it facilitates
A. economic prosperity for importers and exporters
B. export of hard currency by the government
C. economic prosperity for the country
D. import of hard currency by the government.

50. The most acceptable economic measure for trade protection is to
A. improve standards of living
B. protect Infant industries
C. safeguard strategic industries
D. promote foreign trade.

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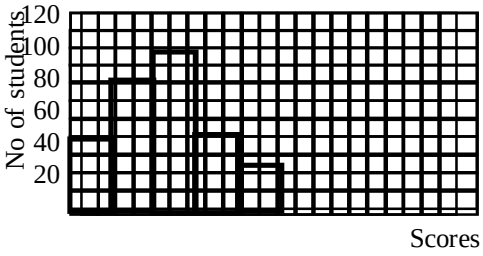
Economics 2000

1. Economics can be defined as
A. reduction in spending in the face of competing alternatives
B. allocation of resources to alternative uses
C. economic behaviour of small units like the household and the firm
D. the study of economic aggregates like inflation and national income.

2. **I. What and how much will be produced? II. How will it be produced?**
III. For whom will it be produced?
IV. How much will be exported and consumed?

From the above, identify the combination of basic resource allocation questions in economic .analysis.
A. 1.11 and III B. I,ll and IV C. I, III and.IV
D. II, III an. IV J

Use the histogra... below to answer questio..s 3and 4
No. of 120 students



3. How many students took the examination?
A. 280 B.240 C. 200 D. 80

4. If the pass mark was 40, how many students passed the examination?
A. 100 B. 120 C. 160 D.200

5. In a capitalist economy, the economic problem of what goods to produce is decided mainly by
A. shadow prices B. profit level C. relative prices
D. a central planner.

6. Which of the following is an example of derived demand?
A. Tax relief. B. Labour. C. Wage increase. D. Entertainment.

Use the information below to answer questions 7 and 8.

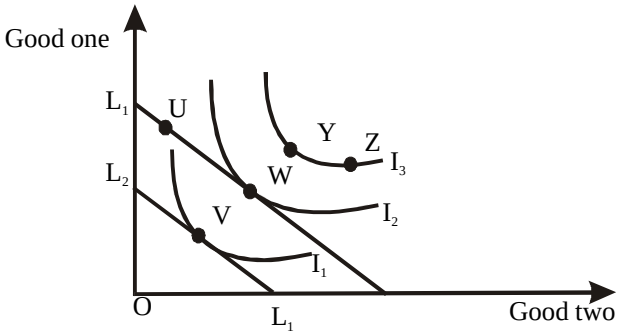
When commodity X sold for N25 per unit, 50 units of commodity Y were purcnased. With an increase in the price of commodity X to N5Q per unit, the demand for commodity Y fell to 2{) units. ,r

7. Determine the cross elasticity of demand.
A. 1.7 B.0. 6 C. -0.6 D. -1.7

8. The two commodities can be classified as
A. substitutes B. durable and non-durable
C. intermediate and final D. complements.

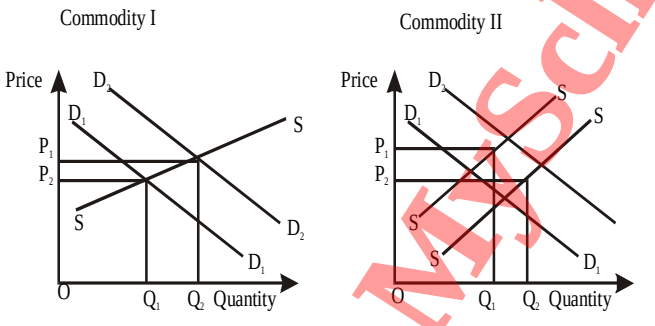
9. A centrnl argument of cardinal utility is that utility is
A. measurnble B. psychological C. ranked
D. intangible.

10.



In the diagram above, L_1. L_1. and L_2L_2 are budget lines.I_1.,I_2 and I_3 are indifference curves. Which poin are optimal?
A. UandW. B. U and Z. C. VandW. D. Y and Z.

Use the diagrams below to answer questions 11 and 12.



11. Commodities 1 and II are in
A. competitive supply B. joint supply C. substitute supply D. derived supply.

12. The supply of commodity II increasing from S_1S_1 to S_2S_2
A. leads to a fall in price from OP_1 to OP_2
B. moves the pricebelow OP_2
C. increases the price from OP_2 to OP_1
D. moves the price to OP_1

13. In a free market system, trading can only take place when the
A. market is not working efficiently
B. equilibrium price is attained
C. price of a commodit tends to attract consumers
D. consumer sovereignty is lacking.

14. The condition for equilibrium price and quantity under perfect competition is
A. MC = AR = TR B. TC=AR=P
C. MC=AR=P D. MC=AR=TC

I5. External diseconomies of scale result from excessive growth of
A. the whole industry B. some sectors of the industry C. external factors D. internal factors.

Use the table below to answer questions 16 and 17.

Variable Factor	Total Product	Marginal Product	Average Product
1	1	1	1
2	6	5	3
3	24	18	8
4	48	X	12
5	Z	25	14.6
6	93	20	Y

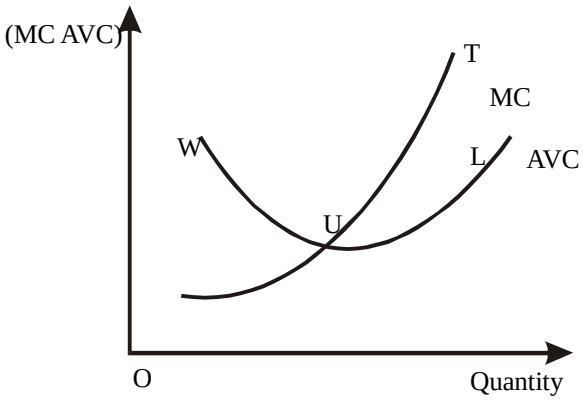
16. The marginal product X is
A. 18 B. 20 C. 24 D. 25

17. The average product Y is
A. 8.0 B. 12.0 C. 14.6 D. 15.5

18. In a small scale business. the fixed cost is #5 000.00. variable cost is #15 000.00 and the output is 500 units. What will be the unit cost of the goods?
A. #400.00 B. #80.00 C. #40.00 D. #20.00

19. If a total cost curve is plotted, marginal cost can be illustrated by the
A. slope of the tangent to the curve at any given output
B. V-shaped curve cutting the total cost curve at its lowest point
C. straigh line from the origin to the midpoint of the curve
D. straight line cutting the curve at its highest point.

20.



In a price-laking firm, the portion UT above is the firm's.
A. average revenue curve B. supply curve
C. demand curve D. long-run average cost curve.

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21. The short-run equilibrium in a perfectly competitive market requires that
A. marginal cost be equal to total revenue
B. marginal cost and marginal revenue be equal
C. costs are mutually determined by buyers and sellers
D. the marginal cost curve cuts the total cost curve.

22.

Quantity Total commodity	Revenue from sales of sold of commodity
43	#228.00
44	#233.00
45	#238.00

The firm whose sales and total revenue of the commodity as given above is
A. a monopolist
B. a monopolistic competitor,
C. a perfect competitor
D. an oligopolist.

23. At the point where marginal revenue of a monopolist is equal to zero, its total revenue will be
A. falling B. rising C. equal to zero D. maximum.

24. A distinguishing characteristic of cooperative societies is that voting power depends on the
A. number of shares held B. status of the member
C. equality of members D. management's decision.

25. The concept of privatization presupposes
A. efficiency B. market price
C. indigenization D. foreign trade.

26. One problem in the marketing of agricultural product in Nigeria is
A. the seasonal nature of the commodities'
B. high price of the commodities
C. the changing tastes of consumers
D. inadequate storage facilities.

27. Increased output will cause farmers' revenue to decrease when market demand is
A. elastic B. inelastic C. unitary elastic D. perfectly elastic.

28. A primary industry is concerned with
A. extraction of resources in their raw state
B. the operation of small scale enterprises
C. the economic activities of primary producers
D. clearing and cultivation of land only.

29. The slow pace of industrial growth in Nigeria can be attributed to
A. overdependence on the oil sector
B. inadequate number of unskilled labour .~
C. lack of raw materials
D. inadequate infrastructural facilities.

30. Industries contribute to national economic develop ment because they
A. utilize local raw materials
B. employ an increasing number of labour
C. provide recreational facilities
D. use modern machines which replace human labour.

31. The Nigerian economy is monocultural because government revenue is derived mainlY from
A. agriculture B. manufacturing C. coal D. crude oil.

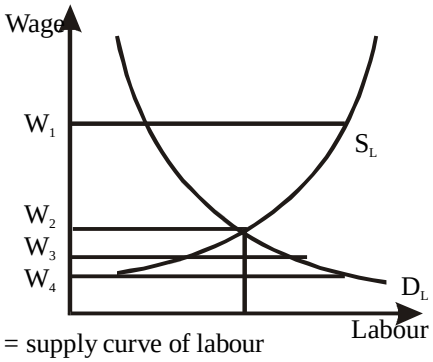
32. As a producers' association, the OPEC expects its members to maintain produc- tion wh'ere marginal cost is
A. greater than price B. less than price
C. equal to price D. equal to average cost.

33. A well conducted census is important for
A. effective defence
B. effective revenue generation
C. good economic planning
D. optimum population.

34. The age distribution of a country's population determines the
A. ratio of the de- pendent to the working group
B. total age of all working class adults
C. male fe male ratio D. percentage of married women.

35. Firms continue to employ workers until the wage rate equals the.
A. average product of labour
B. marginal revenue product of labour
C. total product of labour
D. sum of marginal revenue and average revenue of labour.

36.



S_L = supply curve of labour
D_L = demand curve of labour

In the diagram above, if W_1, W_2, W_3 and W_4 are different wage rates, the minimum wa~rate is
A. W_4 B. W_3 C. W_2 D. W_1

37. A major effect of a long distribution chain is
A. high retail prices B. scarcity of commodities
C. low retail prices D. low producer earnings.

38. The major function of the wholesaler to his customers is
A. breaking of bulk B. offering personal services
C. stocking a variety of goods
D. providing trans- port facilities.

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39. Which of the fo!lowing is used for measuring national Income?
A. Output income and wages.
B. Import expenditure and output.
C. Income, output and ex pendi ture.
D. Export, import and output.

40. Exclusions that make Gross National Product a poor measure of welfare are
A. government purchases
B. govern ment military outlays
C. wages and sala ries
D. housewives' services.

41. An increase in money supply, other things being equal, will
A. lower interest rates B. reduce income
C. ensure trade balance D. increase money demand.

42. A persistent rise in the general level of prices Implies
A. an Increase In some prices
B. a one-time rise in pr:ices
C. a steady fall in the purchasing power of money
D. that the higher the price level, the more the value of money.

43. Two principal ways by which banks can lend money to their customers are through
A. loans and overdrafts
B. loans and discounting bills
C. overdrafts and cheques
D. overdrafts and treasury bills.

44. A capital market differs from the money market in that in the former
A. loan sought is short term
B. loan repayment is guaranteed
C. loan sought is long term
D. the percentage of interest charged is more.

45. An aspect of taxation that involves normative economics is the
A. tax rate B. effect on incentive to work
C. fairness of the tax D. tax burden.

46. Public, debt is composed of
A. internal debts and World bank loans
B. money owed to local and foreign contractors
C. internal and external debts
D. loans granted by IMF and ADB

47. A country exporting mainly primary products and with a hign percentage of her labourforce in agriculture is said to be
A. developing B. developed
C. poor D.underdeveloped:

48. A country's import price index by 1995 was 50 and her index of export price was 70. Calculate the terms of trade.
A. 20% B. 8.71% C. 120% D. 140%.

49. If the United Kingdom buys gold for £ 60 an ounce and Nigeria buys the same ounce for N500, what will be United Kingdom's exchange rate with Nigeria?
A. £ 0.05 = N1.00 8. B. £ 0.06 = N1.00
C. £0.11 = N1.00 D. £0.12 = N1.00.

50. Being a member of the OPEC, Nigeria is in a favourable position to
A. export her crude oil
B. control world crude oil prices
C. reap the benefit of a cartel
D. borrow money from members.

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Economics 2001

1. If the pice elasticity of demand for a good isO.43, an increase in the price of the good will result in ;
A. an increase in profit by 43% B. a net gain
C.a decrease in profit by 43% D. a net loss

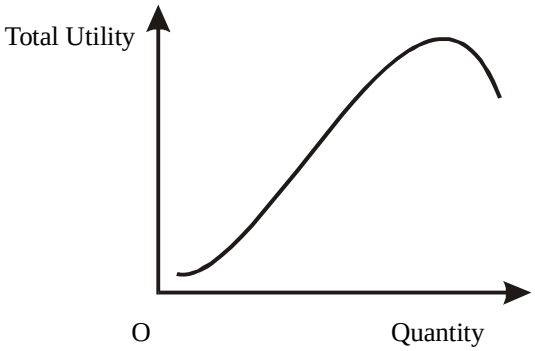
2. In a free market economy the price system allocates resources
A. under government's directives
B. to ensure general welfare
C. to their best alternative uses
D. to reduce poverty.

3. At consumer equilibrium, the slope of the indifference curve is
A. half the slope of the budget constraint line
B. equal to the slope of the budget constraint line
C. greater than the slope of the budget constraint line
D. less than the slope of the budget constraint line.

4. For a supply curve, an increase in the price of a commodity will result in
A. a decrease in supply
B. a decrease in the quantity supplied
C. an increase in supply
D. an increase in the quantity supplied.

5. A nominal good with close substitutes is likely to have price elasticity of demand
A. between zero and one B. equal to unity
C. less than unity D. greater than unity.

6. Economics is regarded as a social science because it
A. adopts the scientific method in production
B. is an agent of socialization
C. the scientific medod in the study of human behaviour
D. deals with social problems.



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7. The diagram above shows the total utility curve. At the point M, marginal utility
A. increases B. is unity
C. diminishes D. is zero.

8. A change in supply is best described as a
A. movement along the supply C&D'Ve
B. shift of the supply curve to the left or to the right
C. shift of the supply curve to the left
D. shift of the supply curve to the right

9. When a generalization is made based on ohserved facts, it is known as
A. deductive reasoning B. inductive reasoning
C. theoretical reasoning D. normative reasoning.

10. A major problem facing all economies is how to
A. increase consumption of imported goods
B. improve trade among nations
C. transform from a developing In a developed economy
D. allocate scarce resources.

11. A vertical supply curve indicates that
A. the quantity supplied is responsive to price
B. the same fixed quacl;ity will re supplied no matter the price
C. an increase in price will result in an increase in the quantity supplied
D. there is a fixed price for the commodity below which no supply will be made.

12. In a demand curve. the lelationship between price and quantity is
A in determine B. direct C. nil D. inverse.

13. If die arithmetic mean of 1, 2, 5, 6, and i8 is 8.0,find the value of .x
A.7.0 B. 6.0 C. 8.5 D. 8.0

14. The fixing of the price of an item above or below the equilibrium price is mostlikely to take place in a
A. centrally planned economy B. free market economy
C. developed economy D. mixed economy.

15. A consumer's scale of preference is an arrangement of his
A. scarce resources in order of iniportance
B. needs in order of importance
C. sources of income and their importance
D. requirement and how to satisfy them.

16. A firm's shut-down point is reached when the average revenue fails to cover the
A. average variable cost
B. marginal cost C. average total cost
D. average fixed cost

17. Internal economies of scale are expected to bring about
A. an increase in short-run average cost
B. an increase-in long-run average cost
C. a decrease in long-run average cost
D a decrease in short-run avtrage cost.

18. In the long- run a monopolist maximizes his profit when the marginal cost equals
A. total revenue B. marginal revenue
C. average cost D. price.

19. The long run is a period during which a firm
A. sells input to purchase fixed asset
B. varies all its inputs
C. sources all its inputs from within
D. replaces all its inputs.

20. An important feature of perfect competition is that
A. the movement of goods and services is restricted
B. there is adequate knowledge of existing prices
C. prices are centrally administered
D. individual economic units can influence prices.

21. If government fixes price below the equilibrium price, what effect will it have on demand?
A. Quantity demanded and supplied will be equal.
B. Quantity supplied will be greater than quantity demanded.
C. Quantity demanded will increase.
D. Quantity demanded will decrease.

22. An imperfect market exists-;here
A. the product is homogenous
B. there is perfect information among the few buyers and sellers
C. both buyers and sellers have free entry into and free exit from the market
D. the location of some sellers gives them an advantage over others.

23. A production function relates
A. cost to output B. wage to profit
C. cost to input D. oulput to input.

24. The table below shows demand schedule for eggs.

Price per dozen (#)	Qty demanded (in dozen)	Qty. supplied (in dozen)
100	410	570
90	450	530
80	490	490
70	530	450
60	570	410

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What is the equilibrium price?
A. NIOO B. NII0 C. N6O D. N80

25. A major advantage of specializatiun and division of labour is that
A. time wastage will be minimized
B. trade unions will be encouraged
C. were will be a ready market for labour
D. workers will be adequately rewarded.

26. Which of lhe following is an example of a fixed cost?
A. Fuel cost. B. Electricity bill.
C. Rent on building. D. Transportation cost.

27. In the agricultural sector, improved extension services facilitate
A. acquisilion of techniques
B. arabic crop production
C. mobility of labour
D. livestock production.

28. A disadvantage of concentrating industries in an area is that it could
A. lead La collusion among we firms
B. result in environmental pollution
C. bring about dieconomies of scale
D. increase lhe cost of production.

29. The losses suffered by a sole proprietor are
A. usually equal to the amount invested
B. usually less than the amount invested
C. limited to the amount invested
D. not limited to the amount invesled.

30. To facilitate the exportation of crude oil from Nigeria. special
A. airtrips were constructed for jets toevacuate the oil
B. roads were built to connect the major oil wells to the ports
C. pipelines were laid to connect the major oil wells to the ports
D. railway lines were constructed to connect the major oil wells to the ports.

31. An industry is a
A. company producing unrelated commodities
B. group of firms producing related commodities
C. group of firms producing distinct commodities
D. firm producing differentiated commodities.

32. The raising of funds by selling stocks to the public is called
A. equity financing B. stock financing
C. debt financing D. loan financing.

33. A tax that increases at a higher percentage as income increases is called
A. a proportional tax B. a regressive tax
C. a progressive tax D. an income tax.

34. The price paid for labour services is the
A. commission rate B. wage rate
C. income rate .D. salary rate.

35. The capital market is a market for tnKJin:9(:" financial assets such as
A. bankers acceptances
B. treasury bills
C. long-term securities
D. commercial papers.

36. In national income accounting. NNP is derived by subtracting from the GNP
A. uansfer payments
B. indirect taxes
C. allowance for wastage
D. capital consumption.

37. Economic growth can be accelerated through
A. balancing of savings and consumption
B. postponement of current consumption
C. planned current consumption
D. increased current consumption.

38. An increase in the discount rate is an indication of a Central Banks intention to pursue
A. an expansionary monetary policy
B. a disciplined monetary policy
C. a dynamic monetary policy
D. a contractionary monetary policy.

39. The efficiency of labour can be. increased by
A. constant training of workers
B. retirement'ofworkers on a regular basis
C. engaging expatriates only
D. placing an embargo on recruitment. .

40. In Nigeria, revenue sharing from the Federation accou.nt is between the
A. executive the judiciary and the legislature
B. federal and state governments and the. parastatals
C. federal and state governments and the senate
D. federal state and local governments. .

41. The reduction of high fertility rate is a measure in population control designed to make the
A. female population higher than the male
B. female and male population equal
C. male population higher than the female
D. growth in population more sustainable

42. National debt is an expected outcome of a
A. deficit budget
B. consolidated budget
C. balanced budget
D. surplus budget.

43. The distribution channel that contributes most to the cost of productfon is
A. producer-wholesaler-consumer
B. producer-retailer-consumer
C producer -retailer -wholesaler-consumer
D. producer -wholesaler-retailer -consumer

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44. Money may not be accepted as a store of value if
A. its value is unstable
B. it is easily transferable
C. its value is stable
D. it is easily divisible

45. In order to accelerate economic development a country must
A stimulate her population growth rate
B. pursue a high population growth rate
C. pursue arational populationpolicy
D. pursue an incremental population policy.

46. If the laboul force in a given community is 2,000,000, in the wage employment 200,000 and the unemployed are 80,000, what is the unemployment rate in the community?
A. 0.4% B. 40.0%
C. 10.0% D. 0.4.0%

47. GNP is not a good measure of social welfare because there are unrecorded
A. indirect taxes B. social costs
C. government subsidies D. transfer payments

48. The loans from the World Bank to developing countries are mainly to support
A. the establishment of more universities
B. capital-intensive technology
C. infrastructural investments
D. their low level of consumption.

49. The major reason why nations engage in international trade is that
A. it allows free movement of factors of production
B. it makes possible the use of capital-intensive method of production.
C. nations are substantially different in their endowments of economic resources
D. it affords the trading nations the opportunity to earn high profit.

50. A country with over-valued currency will
A. expect balance of payments surplus
B. have increased demand for her exports
C. increase her foreign reserve
D. decrease her foreign reserve

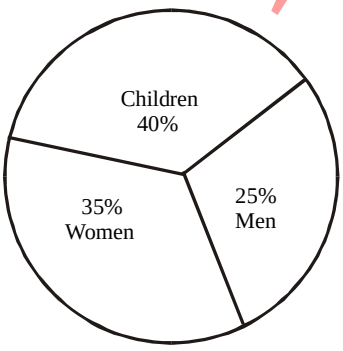
Economics 2002

1. If goods P and Q are purchased by a consumer, a fall in the price of P with the price of Q unchanged will cause the budget line to
A. rotate outwards away from the origin
B. Shift parallel inwards
C. rotate inwards towards the origin
D. shift parallel outwards

2. One of the reasons for an exceptional demand curve is the
A. availability of credit facilities
B. availability of substitutes
C. change in the price of thecommodity
D. expectation of a futur change in price.

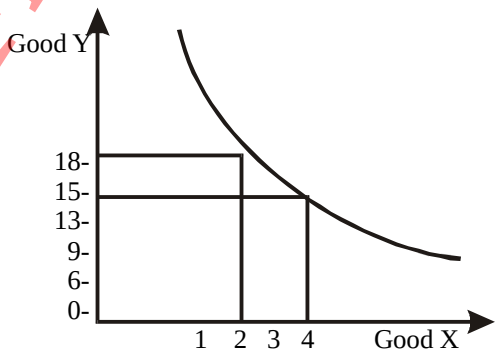
3. The elasticity of supply of perishable goods is
A. elastic B. zero
C. inelastic D. unitary

4.



In the pie chart above, the percentage for children is equivalent to
A. 2880 B. 1440 C. 900 D. 720

5.



In the diagram above, the marginal rate of substitution of X for Y for a movemer from S toTis
A.5:1 B.1:5 C.18:4 D. 13:3

6. A scientific approach in economic entails
A. a normative method only
B. both inductive and deductiv methods
C. a deductive method only
D. both inductive and normative methods.

7. In a centrally planned economy. the economic problem of deciding what to produce is dependent on
A. state command B. relative prices
C. average cost D. average profit.

8. A shift in supply curve indicates that a different quantity will be supplied at each possible price because
A. supply is facing competition
B. consumers are willing to pay higher prices
C. price has changed
D. other factors than price have changed

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9. The demand for factors of production is an example of
A. competitive demand
B. derived demand
C. composite demand
D. joint demand

10. A student as N30.00 willl which to buy a ruler costing N18.00 and an exercise book costing N25.00. If he buys the exercise book.His opportunity cost is
A. the exercise book B. N25.00
C. N18.00 D. the ruler.

11. Import substitution aims at
A. substituting agricultural products with , industrial ones
B. substituting imports with agricultural exports
C. improving the balance of payments
D. the diversification of industries.

12. Some of the key indicators of 'I underdevelopment in a country are
A. poverty low level of literacy and low income
B. poverty low income and low unemployment level
C poverty high level of literacy and low Income
D. low level of illiteracy, low income and' poverty

13. ECOWAS has taken a giant step towards economic integration by
A. Iintroducing a common currency for' traveilers
B. presenting a united front against foreign economic exploiters.
C. holding frequent meetings at various state capitals
D. increasing economic', stability among member states.

14. One of the major factors militating against industrialization in Nigeria is the
A. frequent breakdown of equipment
B. failure to get foreign partners and supporters
C. inadequacy of infrastructural facilities
D. absence of government participation.

15. The types sources and uses of government income are mainly concerned with
A. public budget B. public finance
C. public expenditure D. public revenue

16. The present privatization policy in Nigeria is aimed at
A. reducing the prices of goods and services
B. increasing efficiency in production
C. poverty alleviation
D. reducing incom~ inequality

17. One of the roles of the NNPC in the production and refining of crude oil is to
A. secure maximum government revenue and regulate price
B. protect the local operators in the petroleum industry.
C. prevent the smuggling of petroleum products
D. satisfy the domestic consumption petroleum products.

18. One way of correcting the balance payments problem of a country is to
A. devalue the currency
B. introduce import-promotion measures
C. deemphasize import
D. buy investments abroad

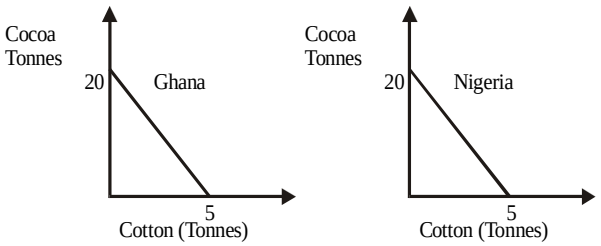
19. One of the problems arising from the localization of industries is
A. high prices of output
B. structural unemployment
C. the exportation of output
D. the scarcity of foreign exchange.

20. The major purpose of the African Development Bank is to
A. educatepeasant farmers in new techniques
B provide loans for development banks in distress
C. provide loans fo infrastructural development
D. provide loans for trade development.

21. As a country gets more developed, th percentage of labour engaged in agriculture tends to
A. switch over to trading
B. remain constant
C. increas steadily
D. decrease steadily

22. A deficit budget can be used to
A. starve the economy of funds economic development
B. protect t economy from inflation
C. stimulate recovery from trade depression provide measures to remedy
D. balance of payments.

23.



In the diagrams above, the Opportunity cost of a unity of cotton in terms cocoa is
A. 20 for Ghana 60 for Nigeria
B. 1/4 for Ghana 1/2 for Nigeria
C. 5 Ghana 30 for Nigeria
D. 4 for Ghan for Nigeria.

24. External finance for a limited lial company is mainly sourced throug
A. the issuing of shares
B. the least equipment
C. trade credits
D. loans

25. One of the major criticisms of the 1962 National Devel opment Plan that
A. its execution was based on foreign-sourced financial measures resources B. it failed to

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incorporate lessons gained from earlier plans to enhance efficiency
C. planned expenditure based too heavily on expected ear from crude oil.
D. it came too quick after the country's independence

26. Which of the following yields more revenue to Nigeria?
A. Value added tax B.Royalties
C.Direct tax D.Indirect tax

27. In the short run a firm's marginal cost curve above the point of shut-down in it's
A. supply curve B. revenue curve
C. demand curve D. cost curve

28. The benefits that accrue to a firm as a result of an improvement in the industry it belongs to are called
A. internal economies of scale
B. market economies
C. external economies of scale
D. economies of scale

29. As a firm increases its output the average fixed cost
A. tends to decrease continuously
B. rises and then falls
C. remains constant
D . tends to rise continuously

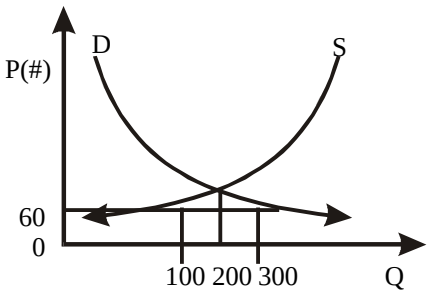
30. The economic policy of deregulation is aimed at encouraging
A. a competitive market structure
B. an oligopolistic market structure
C. a duopolistic market structure
D. a monopolistic market structure .

31. The effect of an increase in demand for a commodity accompanied by a decrease in supply will be to
A. decrease the equilibrium quantity and affect the price in an indeterminate way
B. raise the price of the commodity and affect the quantity in an indeterminate way
C. lower its price while affecting the equilibrium quantity in an- indeterminate way
D. raise its price as well as the equilibrium quantity. .

32. Under conditions of perfect competition a firm's supply curve is determined by it's
A. fixed cost curve B. variable curve cost
C. total cost curve D. marginal cost curve

33. The short-run equilibrium output for a monopolist is determined by the
A. intersection of the marginal cost and marginal revenue curves
B. highest point on the total revenue curve
C. intersection of the average revenue and average cost curves
D. minimum point on the average cost curve

34.



In the diagram above what is the excess demand at the price of N60?
A. 3000 B. 100 C. 600 D 200

35. The equilibrium wage in an economy is determined by the
A. supply and demand for labour
B. rate of inflation
C. workers' union
D. public service

.36. If the growth rate of available resources continuously outpaces that of the population, a country will eventually experience
A. under population
B. maximum population
C. optimistic
D. a decrease in output-input ratio

37. The middlemen in the chain of distribution are
A. wholesalers and retailers
B. manufacturers and consumers
C. consumers and wholesalers
D. retailers and consumers

38. The Malthusian theory of population growth is often said to be
A. oversimplified B. ambiguous
C.optimistic D.pessimistic

39. Improved labour efficiency can be measured by
A. the constancy of input-output ratio
B. an increase in input- output ratio
C. an increase in output-input ratio
D. a decrease in output-input ratio

40. National income estimates can be used to
A. compare a country's growth rate with that of another over a period of time.
B. differentiate between the rich ana the poor in a country
C. prepare a country's annual budget
D. project the level of a country's economic development

41. In Nigeria, the bank that can correctly be described as a unit bank is
A. the Central Bank
B. Ccommunity Bank
C. People's Bank
D. Mortgage Bank

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42. Creeping inflation implies that there is a
A. rapid but not permanent Increase In the general price level
B. gentle but not permanent increase in the general price level
C. rapid and persistent increase in the general price level
D. gentle and persistent increase in the general price level.

43. In a closed economy, the marginal propensity to consume is 0.6 and the average propensity to consume 0.8. The value of the multiplier is
A. 2.7 B. 2.6 C. 2.4 D. 2.5

44. Excess demand inflation can be controlled through
A. contractionary trade policy
B. expansionary monetary policy
C. contractionary fiscal policy
D. expansionary fiscal policy

45. The primary objective of the NDIC is to
A. provide regulations guiding the finance houses
B. give protectiqll to banks against fraud
C. give protection to bank depositors
D. give protection to the CBN against fraud.

46. Liquidity preference refers to the
A. wish to hold more funds for precautionary purposes
B. need to increase the money supply in order to lower the interest rate
C. demand to hold money as assets rather than as stocks
D. need to borrow money for short periods to meet some temporary crises.

47. If the country's GNP in the current year is N65 billion and the GNP deflator is
A. 30.0 B. 130.0. C. 15.0 D. 1.3

48. Insurance companies invest mainly in instruments traded on the
A. commodity market B. open market
C. capital market D. money market

49. The solution to the problem of double coincidence of wants requires a buyer and a seller whose demands are precisely
A. complementary B. supplementary
C. composite D. competitive

50. The stock exchange is a market for the buying and selling of
A. existing shares
B. monetary instruments
C. new shares D. treasury bills.

Economics 2003

1. The price of a good rises from N5 to N8 and the quantity demanded falls from 200 to 190 units. Over this price range, the demand curve is
A. fairly inelastic
B. fairly elastic
C. perfectly inelastic
D. perfectly elastic

2. In economis analysis, a statement is said to be normalize if,it
A. can be tested scientifically
B. relates to value judgment
C. is contradictory
D. is incorrect

3. Utility is the satisfaction derived from
A. production B. distribution
C. consumption D. demand

4. If there is and increase in demand without a corresponding increase in supply, there will be
A. fall in price B. rise in price
C. shift in supply curve to the right
D. shift in demand curve to the left

Use the production possibility curve of a country represented in the diagram below to answer questions 5 and 6

5. An improvement in technology will enable the country to produce at
A. V B. W C. X D. Z

6. If the country is currently producing at point Y, it can increase production of producer goods by moving to the point
A. v B. W C. X D. Z

7.

In the table above, the price of commodity y is N2 and that of x is N1 while the individual has an income of N12. Determine the combination of the two commodities the individual should consume to maximize his utility
A 3y and 3x B.6y and 4x
C. 3y and 6x D.5y and 5x

8. When two variables are positively related, the graph of the relationship
A. is a straight line
B. is a downward-sloping curve
C. is an upward sloping curve
D. has a negative intercept

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9. For an inferior good, a decrease in real income lead to
A. an outward shift of the demand curve
B. an inward shift of the demand curve
C a lowed equilibrium price
D. a change in quantity demanded

10. In a planned economy the emphasis is on
A. individual choice and decisions
B. public ownership and control
C. private ownership and control
D. prices and competition

11. Price elasticity of supply is a ratio of the change in
A. quantity supplied to the c change in demand
B. original quantity to a change in new quantity
C. quantity supplied to the change in price
D. price to the change in quantity supplied.

12. the long-run average cost curve is called a planning curve because it shows what happens to costs when
A. variable inputs are increased
B. fixed factors are increased
C. different sizes of plants are built
D. a bigger size of plants is built

13. Imperfect market is characterized by
A. many buyers and few sellers
B. a large number of buyers and sellers
C. non-preferential treatment
D. perfect mobility of factors of production

14. Short-run period in production is a period for a firm to be able to change its
A. variable inputs B. total outputs
C. total revenue D. scale of operation

Use the table below to answer questions 15 and 16

Output produced per day (unit)	Fixed cost per day (N)	Total cost per day (N)
20	60	100
30	60	120
40	60	130
50	60	135
60	60	150
70	60	170
80	60	190

15. The ATC at 30 units of output is
A. 120.000 B.N60.00 C.N40.00 D.N3.00

16. At 60 units of output, the AVC is
A. N150.00 B. N90.00 C.N2.50 D.N1.50

17. If the demand curve facing a frim is sharply downward sloping, the firm is likely to be
A. a perfect competitor
B. a monopolistic competitor as it can have a limited influence as it can have a limited influence on price
C. an oligopolist as it can collude with other firms to have some influence on price

18. A normal supply curve is usually positively sloped
A. because the relationship between
B. supply and price is negative
C. price and demand is negative
D. price and supply is positive

19. The best method of production in an under-populated country is
A. labour-extensive B. land-intensive
C. capital-intensive D. labour-intensive

20. Insurance companies, pension and provident funds and unit thrusts are all examples of
A government financial agencies
B. non-govenmental organizations
C. non-bank financial institutions
D. rural-based revenue mobilisers

21. For a firm, value added can be defined as the difference between the
A. value of its output and the cost of production
B. total revenue and toatla cost
C. input prices and product prices
D. value of its output and inputs purchased from other firms

22. Securities are described as listed when they are:
A. bought and sold purely for development purposes
B. mobilized as short-term debt instruments
C. Mobilized as long-term debt instrument
D. Traded on a recognized stock market

23. The commercial banks differ from non-bank financial institutions because they
A. accept deposits withdrawable by cheque
B. mobilize savings C. invest surplus plus
D. contribute to economic development

24. Inflation that is usually associated with periods of trade boom is
A cost-push inflation B.demand-pull inflation
C. creeping inflation D. stagnation

25. The term "Near Money" is best described as
A. a financial assets that is convertible to cash
B. a financial instrument that is readily convertible to cash
C. government financial instrument that is convertible to cash
D. time deposits with low interest rates

26. The distinguishing characteristic between the money market and the capital market lies in whether the
A. finds mobilized are private or public
B. securities are primary or secondary
C. debt instruments provided are long-term or short-term
D. securities are in debentures of ordinary shares.

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27. If Nigeria's composite price index in 1999 was 140.03% and 144.05% in 2000, the rate of inflation in 2000 was
A. 4.02% B. 2.10% C. 2.06% D. 1.03%

28. The monetary control instrument most effectively used by the Central Bank of Nigeria is the
A. discount rate B. reserve ration
C. margin requirements D. open market operations

29. The major objectives of a revenue allocation formula in a country is to
A. share revenue between the public and private sectors
B. ensure the financial viability of the country
C. share revenue between the different tiers of government
D. divert revenue from areas of surplus to areas of need

30. The effectiveness of devaluation as a solution to a balance of payments problems depends on the
A. relative elasticities of demand
B. foreign investments of business
C. value of visible and invisible goods
D. value of invisible items of both domestic and foreign trades

31. IBRD as an international monetary institution is concerned with the
A. balance of payments problems of member nations
B. financing of private business in member nations
C. development of infrastucture in member nations
D. improvement of trade among member nation

32. An advantage of the soleproprietorship over the partnership form of business organization is that
A. it enjoys limited liability for debt in the event of failure
B. Its existence is limited bty an individual's life span
C. It relies on the decision of friends to succeed
D. The possibility of conflict is management in virtually non-existent

33. The distinction between capital and recurrent expenditure lies in the
A. amount of expenditure involved
B. source of the revenue generated
C. nature of the goods and services to be provided
D. time frame o the expenditure

34. Under a floating exchange rate regime, the determinant of the exchange rate is
A. the system of government
B. demand for and supply of foreign goods
C. the highest denomination of the currency an act of the national assembly

35. To compare the standard of livingamong nations, the most widely used economic indicator is the
A. per capital nominal income
B. real domestic output
C. real gross national income
D. real per capital income

36. Statutory organisations usually established by Acts of parliament are called
A. public enterprises
B. public corporations
C. cooperative societies
D. joint-stock companies

37. A greater burden of the taxes on essential goods is borne by the
A. higher income group B. newly recruitment workers
C. lower income group D. contract workers

38. Privatization and commercialization of public enterprises in Nigeria is necessitated by
A. the IMF conditions B.the IBRD conditions
C. the government's loss of interest in them
D. their operational inefficiency

39. The theory of comparative advantage states that a commodity should be produced in that nation where the
A. absolute cost is least B.absolute money cost is least
C. opportunity cost is least
D. production possibility curve increases

40. The effect of an increase in the personal income tax is to
A. raise the absolute price level B.distort the economy
C. reduce unemployment
D. reduce the disposable income

41. An important factor hindering the rapid development of the industrial sector in Nigeria.
A. excessive demand for finished products
B. the dominance of the oil sector
C. rural-urban migration
D. inadequate infrastructure facilities

42. The demand for labour is an example of
A. competitive demand B. derived demand
C. composite demand D. joint demand

43. The major role of multi-national companies in the petroleum industry in Nigeria is
A. oil prospecting only B. oil marketing only
C. the establishment of refineries
D. oil marketing prospecting

44. Fixing the prices of agricultural products can be a problem because of the
A. unpredictable output of farmers
B. instability of government policies
C. activities of marketing boards
D. size of agricultural exports

45. Occupational mobility as applied to factors of production means the case by which
A. factors can be transferred from one place to another
B. factors can be transferred from one form mof use to another
C. resources can be transferred from one place to another
D. resources can be transformed from one form to another

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46. The labour force of a country can be determine by xamining the
A. Sex distribution of the population
B. Occupations distribution of the population
C. age structure of the population
D. geographical distribution of the population

47. Two basis features common to an industry are
A. similarity of products and production processes
B. similarity of products and source of raw materials
C. production processes and source of capital
D. source of capital ands labour supply

48. A country is said to be over populated when
A. there are too many able-bodied men and women in the country
B. the resources are more than enough to cater for the population
C. the size of the population is greater than the annual budget
D. the resources are inadequate to cater for the population

49. When a union is composed of workers with same skill, it is called
A. an industrial union B. a workers' union
C. a craft iunion D. a technical union

50. An adverse environmental impact of the petroleum industry on the economy is
A. the vandalisation of oil equipment
B. oil spillage C. communal riots

Economics 2004

1. By advertising, a monopolistic competitive firm tries to shift its
A. supply curve to the right B. demand curve to the right
C. supply curve to the left D. demand curve to the left

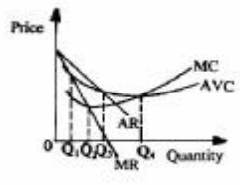
2. Given than Y = C + I and C = bY where b = 0.8, what is the multiplier?
A. 5 B. 10 C. 4 D. 2

3. The role of the Central Bank in the economic development of Nigeria is to
A. give short-and medium-term loans to the public
B. give financial and technical advice to customers
C. use the cheques and bank drafts to facilitate business transactions
D. maintain a stable price system

4. The primary function of non-bank financial institutions is to
A. manage investment portfolios for government
B. mobilize saving for investment
C. grant loans to banks
D. receive deposits from banks

5. At the maximum point of the total product curve of a firm, marginal revenue is
A decreasing B. increasing C. constant D. zero

6. In a n open economy, the GNP is measured as
A. C+I+G+X B. C+I+G+(X-M) C. C+I+G+M D. C+I+G

7. 

The diagram above represents the short-run position of a monopolist. The profit-maximizing output is
A. Q_3 B. Q_4 C. Q_1 D. Q_2

8. The capital market provides business firm with the avenue to
A. lease capital equipment B. obtain long-term funds
C. obtain short-term fundsD.purchase capital equipment

9. Which of the financial institution is charged with the formulation of monetary policies in Nigeria?
A. The Central Bank of Nigeria
B. The Nigeria Deposit Insurance Corporation
C. The Abuja Commodity Exchange
D. The Lagos Stock Exchange

10. GDP differs from GNP because GDP
A. is inclusive of depreciation
B. emphasizes the final goods and services
C. produced within the country at a particular period
D. emphasizes the market value of all final goods and services produced by nationals

11. The distinction between perfect competition and monopolistic competition is that the latter is characterized by
A. a single market price
B. many buyers and sellers
C. product differentiation
D. homogeneity of product

12. The downstream activities of oil companies in Nigeria involve
A. refining and distribution
B. prospecting and drilling
C. Off-shore drilling
D. Management of spillage and pollution

13. The movement of goods and services from the products to the consumers is refereed to as
A. external trade B. the distribution chain
C. the circular flow D. consumption

14. The purpose of conducting a census is to enable a country to
A. plan her capital inflow and outflow
B. determine the growth rate of population
C. determine the optimum level of population
D. plan her growth and development

15. A major cause of the slow pace of industrialization in Nigeria is inadequate
A. raw materials B. landmass
C. skilled labour D. communal labour

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16. The maximum wage legislation seeks to
A. fix wages above the equilibrium wage rate
B. set wages below the equilibrium wage rate
C. deter employers from exploiting their employees
D. ensure an upper limit to the wages payable

17. The marketing of agricultural commodities in Nigeria is hampered by
A. lack of adequate storage facilities
B. the existence of farmers' associations
C. the existence of commodity exchange
D. the abolition of ,arketing boards.

18. Import duty concessions on industrial inputs directly benefit the
A. consumers B.external sector C. commercial sector
D. manufacturers

19. The labour force in Nigeria falls between the ages of
A. 18 and 45 B. 18 and 55 C.18 and 60 D. 18 and 30

20. Government's involvement in agricultural business in Nigeria's is most manifested in the
A. establishment of farm settlements in each state of the federation
B. establishment of credit guarantee schemes for small-scale farmers
C. formation of farmers' cooperative socities
D. procurement and distribution of fertilizers

21. The difference between birth and death rates of a given population is referred to as the
A. mortality rate B. fertility rate C.natural growth rate
D. linear growth rate

22. Fiscal policy is the government's plan to control aggregate demand by manipulating
A. the demand and supply of money
B. revenue and expenditure
C. tastes and preferences of consumers
D, the structure of production and employment

23. A country is said to have absolute advantage when she
A.has a higher opportunity cost in the production of a good
B.can sell to oother countries without buying from them
C.can produce more of any good with fewer resources
D.has a lower opportunity cost in the production of a good.

24. The European Union was formed to promote free trade within member nations
A. Promote free trade within members nation.
B.Promote economic integration in non-member countries
C. Assist countries to achieve their economic goals
D. Finance development projects in member nations.

25. if budget deficits are financed by borrowing, the crowding-out effects can be offset by an increase in
A. government expenditure B. savings C.interest rates
D. exchange rates

26. When the importation of a commodity is limited to a definite quantity, the trade control means used is known as
A. exchange control B. tax relief
C. devaluation D. quotas

27. The excess of aggregate expenditure over full emploment level of output is referred to as
A. GNP gap B. Deflationary gap
C. Inflationary gap D. recessionary gap

28. The tax levied on goods and services at each stage of production is
A. surfax B. VAT C. Ad valorem tax D. PAYE

29. The number of shareholders in a private limited liability company ranges from
A. two to seven B. two to three
C. two to fifty D. two to twenty

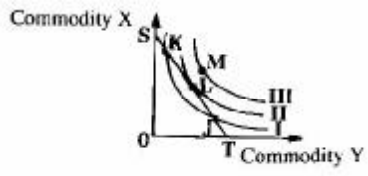
30. A major reason for having national development plan is to
A. ensure efficient use of available resources
B. involve people in national programmes
C. make government spend more on production
D. ensure that more citizens are involved in planning

31. The difference between payments and receipts for visible trade is called
A. bilateral trade B. current balance
C.balance of payment D. balance of trade

32. One of the cause of the present high rate of inflation in Nigeria is
A.Increasing budget surplus B. Increasing factors costs
C. Exchange rate appreciation D. High capacity utilization

33. The final stage in the production process of any commodity involves its movement from the
A. retailer to the wholesaler B. producer to the wholesaler
C. retailer to the consumer D. wholesaler to the retailer

34. A change in demand for a normal good means
A. a shift in the demand curve
B. a change in the price elasticity
C. the demand changes as price changes
D. a movement along a given demand curve

35. 

In the diagram above, ST is the budget line while I.II and III represent indifference curves. A rational consumer will choose to consume at point
A. M B. J C. K D. L

36. In order to increase revenue, the seller of a commodity whose demand is fairly elastic is advised to
A. increase price B. reduce outpur
C. reduce price D. retain price

37. In any set of data, the median represent the
A. value that is most representative of the data
B. mid-position when the values are arranged in ascending or descending order
C. mid-position when the values are arranged randomly
D. difference between the highest and the lowest values when arranged ascending order.

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38.

Combination)	Beans (Unit)	Rice (Unit)
K	15	19
L	20	17
M	24	16

The table above shows the combinations of beans and rice that can be purchased by a consumer.

The opportunity cost of moving from K to L is
A. 2 units of rice B. 5 units of beans C. 17 units of rice
D. 20 units of beans

39. One of the assumption of ordinary utility in consumer behaviour is that
A. consumer are irrational
B. marginal utility rises contionously
C. utility is measurable
D. utility can only be ranked

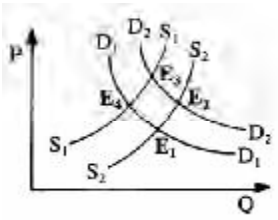
40. A large standard deviation is an indication of
A. the size of the sample
B. a wide spread around the mean
C. a wide difference between the mean and the mode
D. the difference between teh highest and the lowest values.

41. A m ajor characteristics of a mixed economy is that
A. economic decisions are emade by both the rich and the poor
B. both primary and secondary production are undertaken
C. the federal and the state governments undertake joint projects
D. economic activties are undertaken by both the public and private sectors

42. Given the cost function C = 160 + 36Q, what is teh average cost at 20 units of output?
A. N720 B. N216.00
C. N44.00 D. N880.00

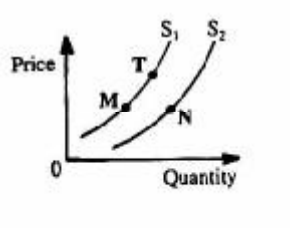
43. If an increase in the p rice of good X leads to an increase in the supply of good Y, X and Y are said to be
A. jointly supplied B. competitive
C. composite D. jointly demanded

44.



The diagram above shows the shifts in both demand and supply curves. What is the new equilibrium point after the shifts?
A. E_3 B. E_1
C. E_4 D. E_2

45. Use the diagram below to answer questions 45 and 46



45. When there is a change fron T to N, it implies that
A. supply has increased
B. quantity supplied has increased
C. quantity demanded has i ncreased
D. price has fallen

46., A movement from M to T implies that there has been
A. a decrease in supply
B. an increase in demand
C. a decrease in price
D. an increase in price

47. A necessary condition for specialisataion in an economy is the existence of
A. a regulated market
B. a competitive market
C. a medium of exchange
D. adequate capital

48. A firm operating at full capacity will experience rising short-run totall costs when
A. prices of its variable inputs rise
B. prices of its variable inputs fall
C. there is a change in m anagement
D. labour productivity increases

49. In a textile factory, teh cost of cotton used is a typical example of
A. an average cost B. a variable cost
C. a total cost D. a fixed cost

50. A black market can occur when
A. supply is excess of deman
B. consumption of the commomdity is restricted
C. prices are set by government above the equilibrium
D. prices are set by government below the equilibrium

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