



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2021_1 EXAMINATION**

COURSE TITLE: INDUSTRIAL ECONOMICS

COURSE CODE: ECO 722

TIME ALLOWED: 2 HOURS

CREDIT UNIT: 2

INSTRUCTIONS: ANSWER THREE QUESTIONS. ALL QUESTIONS CARRY EQUAL MARKS. AWARD ONE MARK FOR CLARITY

QUESTION 1

With the aid of a graph, critically examine profit maximization theory of the firm **(23 Marks)**

QUESTION 2

Suppose that a firm has a linear demand function such as $P = 20 - Q$ and total cost is $TC = .5Q^2$. The unit cost functions will be $MC = Q$ and $AC = .5Q$. Find out the profit maximizing level of price and output for this firm. **(23 Marks)**

QUESTION 3

List and explain the types of public policy. **(23 Marks)**

QUESTION 4

Critically examine the determinants of investment demand. **(23 Marks)**