



**NATIONAL OPEN UNIVERSITY OF NIGERIA**

*University Village, Nnamdi Azikiwe Expressway, Plot 91, Cadastral Zone, Jabi, Abuja*

***Faculty of Agricultural Sciences, Dept. of Agricultural Economics and Extension,***

*PoP Examination, September, 2020\_1*

**COURSE CODE:** AEM 724  
**COURSE TITLE:** Macro-economics  
**Credit Unit:** 2  
**Total Score:** 70 marks  
**INSTRUCTION:** Answer compulsory question 1 (25 marks) and any three questions (15 marks each).  
**Time Allowed:** 2 hours.

1a. Criticise in five different ways the use of GDP as an indicator of standard of living (10 marks).

- b. Describe the two major fields of economics (4 marks).
- c. The demand for money consists of all the goods offered for sale. Discuss (4 marks).
- d. Explain the three methods of measuring national income (6 marks).

2a. What is fiscal policy (5 marks).

- b. Highlight the three major concerns of economics (6 marks).
- c. outline any four examples of common measures of inflation (4 marks).

3a. Explain the meaning of net national product (5 marks).

- b. Enumerate any five importance of national income analysis (5 marks).
- c. What is average propensity to consume (5marks).

4a. Define consumption function and express it with mathematical notations (5 marks).

- b. State the absolute income hypothesis (5 marks).
- c. Explain the marginal efficiency of capital (5 marks).

5a. Describe any four objective factors affecting consumption (6 marks).

- b. Mention any five functions of money (5 marks).
- c. Highlight any four types of unemployment (4 marks).

6a. Discuss any three problems of national income measurement in Nigeria (6 marks).

- b. Explain the marginal efficiency of investment (4 marks).
- c. How does an invention tend to raise the inducement to invest (5 marks).