



**NATIONAL OPEN UNIVERSITY OF NIGERIA
DEPARTMENT OF ECONOMICS
FACULTY OF SOCIAL SCIENCES
2019_1 EXAMINATION**

COURSE TITLE: MACROECONOMIC THEORY

COURSE CODE: ECO 718

UNITS: 3

TIME ALLOWED: 3 HOURS

INSTRUCTION: ANSWER QUESTIONS 1 AND ANY OTHER THREE QUESTIONS

- Q1. Differentiate between the Classical and Keynesian national income models. **(22Marks)**
- Q2. (a) Explain other factors that affect induced investment apart from interest rate. **(10Marks)**
(b) Examine the two major determinants of planned investment. **(6Marks)**
- Q3. (a) Define macroeconomic studies. **(6 Marks)**
(b) What are the limitations of macroeconomics? **(10 Marks)**
- Q4 (a) In detail explain the loanable funds theory of interest **(6Marks)**
(b)What are the forces behind the demand and supply of loanable funds? **(10Marks)**
- Q5. Examine in detail the determinants of:
a) Aggregate saving expenditure **(8Marks)**
b) Aggregate consumption Expenditure. **(8Marks)**
- Q6. (a) What factors determine the supply of money in an economy? **(8Marks)**
(b) Examine the factors that determine the demand for money. **(8Marks)**