



**NATIONAL OPEN UNIVERSITY OF NIGERIA  
FACULTY OF SOCIAL SCIENCES  
DEPARTMENT OF ECONOMICS  
2022\_2 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)**