



**NATIONAL OPEN UNIVERSITY OF NIGERIA  
FACULTY OF SOCIAL SCIENCES  
DEPARTMENT OF ECONOMICS  
2023\_1 POP EXAMINATION.**

**COURSE TITLE: MACROECONOMIC THEORY I**

**COURSE CODE: ECO 341**

**UNITS: 3**

**TIME ALLOWED: 3 HOURS**

**INSTRUCTION: ANSWER QUESTION ONE AND ANY THREE (3) QUESTIONS**

**QUESTION 1**

- a. John Maynard Keynes consumption theory was the first amongst four propounded theories. Discuss this theory showing the salient points. **10 Marks**
- b. Discuss four (4) determinants of the supply of money in an economy **10 Marks**
- c. List five (5) developmental objectives popularly pursued by most countries **5 Marks**

**QUESTION 2**

- a. Suppose a consumption function is mathematically stated as  $C = 25 + 0.531Y$ , what will be the saving function? **5 Marks**
- b. Discuss Milton Friedman's consumption theory **10 Marks**

**QUESTION 3**

Economic growth in some instance, does not lead to development. Explain five reasons behind such occurrence. **15 Marks**

**QUESTION 4**

- a. Discuss the relative income hypothesis **10 Marks**
- b. Discuss briefly the Marginal Efficiency of Capital (MEC) **5 Marks**

**QUESTION 5**

- a. Outline five (5) determinants of household level of consumption **5 Marks**
- b. List and discuss the three (3) classes of money **10 Marks**