NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2024_1 EXAMINATION-

COURSE TITLE: ADVANCED MICROECONOMICS
COURSE CODE: ECO431
CREDIT UNITS: 2 UNITS
TIME ALLOWED: 2 HOURS
INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER TWO
QUESTIONS

1. What do you understand by market?   (3 marks)
   b. Describe the adjustment process of price mechanism   (5 marks)
   c. In a non-competitive market why and how should government regulate the market? (10marks)
   d. Given that the demand function P = a – bQ; proof that the slope of marginal revenue is twice
   the slope of the demand function with the same positive intercept.   (6 marks)
   e. Explain the main argument put forth by Classist in support of price mechanism (6marks)

2. What do you understand by term market failure?   (8marks)
   b.   The liberal policy of the Western World, 'cargoed' to developing countries through
   Structural Adjustment Programme (SAP) was a born-again imperialism. Discuss (12marks)

3. Given that the market demand and supply function as; Q_D= 30 – 5P and Q_S = 2P -5; and that the
   government imposes sales tax of N2 per unit.
   i.   Calculate the share of tax for both seller and buyer.
   ii.   What does your answer in (i) suggests in term of elasticity.
   iii.   Show the deadweight lost in the economy graphically
   iv.   Equilibrium quantity before and after tax

                                                    (5marks each = 20 marks)

4. Given the Utility function $Z = g(X, Y, \Lambda) = U(X, Y)$ and that $M = XP_x + YP_y$
   Show that $\dfrac{MU_x}{MU_y} = \dfrac{P_x}{P_y}$ (20 marks)

found to be – 62.28 KJ/mol and the reaction Gibbs free energy was -54.33kJ/mol, Calculate the entropy of the reaction.(**7 marks**)

(d)(i) State three(3) major features of an electrolyte complex (**6 marks**)

(ii) State one (1) example of a complex that exhibit ligand isomerism (**1 mark**)

20 MARKS