



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2024 1 EXAMINATION**

COURSE TITLE: ADVANCED MACROECONOMICS
COURSE CODE: ECO 442
CREDIT UNITS: 2 UNITS
TIME ALLOWED: 2 HOURS
INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER TWO (2)
QUESTIONS

QUESTION ONE

- 1a. Distinguish between personal income and disposable income **(5 marks)**
1b. Highlight the differences between gross domestic product and gross national product **(5 marks)**
1c. Define the following concepts:
 i. Net national product **(5 marks)**
 ii. Output approach **(5 marks)**
 iii. Income approach **(5 marks)**
 iv. Expenditure approach **(5 marks)**

QUESTION TWO

- Discuss the following consumption hypotheses:
a. Absolute Income Hypothesis (AIH) **(5 marks)**
b. Relative Income Hypothesis (RIH) **(5 marks)**
c. Permanent Income Hypothesis (PIH) **(5 marks)**
d. Life Cycle Income Hypothesis (LCIH) **(5 marks)**

QUESTION THREE

- 3a. Explain the determinants of the elasticity of the marginal efficiency of capital schedule. **(10 marks)**
3b. Given the rate of interest, describe the other factors affecting inducement to invest. **(10 marks)**

QUESTION FOUR

- 4a. Explain five causes of inflation in Nigeria. **(10 marks)**
4b. Describe the effects of inflation in Nigeria. **(10 marks)**