



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2024_2 EXAMINATION**

COURSE TITLE: MACROECONOMIC THEORY I
COURSE CODE: ECO341
CREDIT UNITS: 3 UNITS
TIME ALLOWED: 3 HOURS
**INSTRUCTION: ANSWER ANY FOUR (4) QUESTIONS. ALL QUESTIONS
 CARRY EQUAL MARKS**

Question 1

Given that $Y = C + I + G$, $C = a + bY_d$, $Y_d = Y - T$, $I = I_o$ and $G = G_o$
Show the equilibrium national income

17.5marks

Question 2

- 2a. Define the term autonomous investment
- 2b. What is consumption
- 2c. Write short notes on the following
 - i. Token money
 - ii. Fiat money
 - iii. Commodity money

5.5marks

3marks

9marks

Question 3

- a. Define the term economic growth
- 3b. Discuss the Rostow stages of growth

5.5marks

12marks

Question 4

- 4a. Define inflationary gap
- 4b. Define deflationary gap
- 4c. Define Money
- 4d. Explain any five (5) problems associated with barter system

2.5marks

2.5marks

2.5marks

10marks

Question 5

- 5a. Discuss the relationship between classical and Keynesian models
- 5b. Algebraically show that savings is equal to investment

10marks

7.5marks