



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

**COURSE TITLE:** ECONOMIC PLANNING II  
**COURSE CODE:** ECO 448  
**CREDIT UNITS:** 2 UNITS  
**TIME ALLOWED:** 2 HOURS  
**INSTRUCTION:** ANSWER QUESTION ONE AND ANY OTHER TWO (2) QUESTIONS

**QUESTION ONE**

**30MARKS**

- 1a. Describe the concept of Planning Model.  
1b. Explain the rationale and prerequisite for successful economic planning in less developed economies.  
1c. The inputs and outputs of a three-sector economy are shown in the table below.

Sectors	Purchasing Sectors			Total Output
	Input of Agriculture	Input of Industry	Final Demand	
Agriculture	600	850	250	
Industry	650	900	450	
Value Added	450	250	20	

Determine the:

- i. Total input and output values
- ii. Total cost of agricultural sector input.
- iii. Total cost of industrial sector input.
- iv. Final demand
- v. Total revenue of agricultural sector.
- vi. Total revenue of industrial sector.
- vii. Total value added.

**QUESTION TWO**

**20MARKS**

- 2a. Outline the essential features of input –output technique.  
2b. Discuss the properties and characteristics of general equilibrium models.

**QUESTION THREE**

**20MARKS**

- 3a. The Table below shows the social accounting matrices (SAMs) of a simple 3-sector economy (agriculture, industry and foreign) and two institutions (households and government).

Sectors/Institutions	Agriculture	Industry	Households	Government	Net-export
Agriculture	90	50	30	10	15
Industry	50	50	10	30	10
Households	30	10	0	20	8
Government	10	30	20	4	10
Net-export	15	10	8	10	25

The output values of each sector and institution are expressed in monetary units, thus, determine

- i. the total output express in monetary unit that the agricultural sector can produce;
- ii. the total output express in monetary unit that the industry can produce;
- iii. the total output express in monetary unit that the households can produce;
- iv. the total output express in monetary unit that the government can produce
- v. the total output express in monetary unit that the foreign sector can produce
- vi. the grand total of output expresses in monetary unit by the sector and institutions.
- vii. the column coefficients matrix. (Note discussing your results will attract more marks)

#### QUESTION FOUR

**20MARKS**

- 4a. What distinguishes the Keynesian economists' theory of macroeconomics from Leon Walras' general equilibrium theory.
- 4b. Computable general equilibrium (CGE) model database consists of several contents, discuss.
- 4c. Actual planning problems cannot be solved directly by linear programming technique due to several restraints. Highlight these constraints.