



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

COURSE TITLE: ECONOMIC THEORY

COURSE CODE: ECO 802

CREDIT UNITS: 3 UNITS

TIME ALLOWED: 3 HOURS

INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER THREE QUESTIONS

1. An efficient mix of goods can be produced and exchanged in an economic system. Briefly state the conditions for the possibility of these phenomenon (25mks)
2. Write short notes on the following
 - (a) Perfectly competitive price system
 - (b) Equilibrium prices (15mks)
3. Economists believe that perfectly competitive prices will lead to efficiency in production. Briefly state and explain the 3 association rules in a production system (15mks)
4. What are public goods?
- 4b. Can there exist economic growth in the absence of public goods? Explain (15mks)
5. List and discuss 5 indirect monetary instruments of monetary control in Nigeria (15mks)