



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2025_1 EXAMINATION**

COURSE TITLE: MANAGERIAL ECONOMICS

COURSE CODE: ECO 332

UNITS: 2 UNITS

TIME ALLOWED: 2 HOURS

INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS

1a. Explain Profit Maximization as a Business Objective. (15 Marks)

1b. Explain Schumpeter's Innovation Theory of Profit. (15 Marks)

2. Explain the Cross-Elasticity of Demand. (20 Marks)

3. Mention and Explain five Determinants of price elasticity of demand. (20 Marks)

4a. Explain the Theory of Production in production function. (10 Marks)

4b. Explain the Law of Variable Proportion or Diminishing Returns. (10 Marks)